



DAN HAVERTY
Interim Fire Chief

Sacramento Metropolitan Fire District

10545 Armstrong Ave., Suite 200 · Mather, California 95655 · Phone (916) 859-4300 · Fax (916) 859-3700

BOARD OF DIRECTORS - REGULAR MEETING

Thursday, February 23, 2023 – 6:00 PM

Sacramento Metropolitan Fire District

10545 Armstrong Avenue

Board Room – Second Floor

Mather, California

&

Remotely Via Zoom

Phone: (669) 900-6833

Webinar ID: 823 6107 2311#

Passcode: 556 220 563#

D'Elman Clark
Board President
Division 6

Grant Goold
Board Vice President
Division 2

Ted Wood
Board Secretary
Division 4

Cynthia Saylor
Board Member
Division 1

Robert Webber
Board Member
Division 3

Jennifer Sheetz
Board Member
Division 5

Brian Rice
Board Member
Division 7

Gay Jones
Board Member
Division 8

John Costa
Board Member
Division 9

The mission of the Sacramento Metropolitan Fire District is to provide professional and compassionate protection, education and service to our community.

The Governor has declared a State of Emergency to exist in California as a result of the threat of COVID-19 (aka the "Coronavirus"). The Governor issued Executive Order N-25-20 and N-29-20, which directs Californians to follow public health directives including canceling large gatherings. Per the State of Emergency effective March 2, 2020, the Board of Directors of the Sacramento Metropolitan Fire District proclaimed that a local emergency exists, and authorized remote teleconference meetings from January 26, 2023 through February 24, 2023 pursuant to Brown Act provisions.

The Public's health and well-being are the top priority for the Board of Directors of the Sacramento Metropolitan Fire District and you are urged to take all appropriate health safety precautions. **If you would like to view the meeting via the Zoom Application, please contact Board Clerk Penilla via email at the address listed below.**

Members of the public seeking to attend and to address the Board who require reasonable accommodations to access the meeting, based on disability or other reasons, should contact the following person at least forty-eight (48) hours in advance of a Regular meeting to make arrangements for such reasonable accommodations:

Melissa Penilla
Board Clerk
(916) 859-4305

penilla.melissa@metrofire.ca.gov

The Board will convene in open session at 6:00 p.m.



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REGULAR BOARD MEETING

THURSDAY, FEBRUARY 23, 2023

CALL TO ORDER

ROLL CALL

PLEDGE TO FLAG

METRO CABLE ANNOUNCEMENT

This meeting of the Sacramento Metropolitan Fire District will be cablecast on Metro Cable 14, the local government affairs channel on Comcast, Consolidated Communications and AT&T U-Verse cable systems. This meeting is also webcast at metro14live.saccounty.gov. Today's meeting replays on Sunday, February 26th at 2:00pm and Monday, February 27th at 6:00pm on Channel 14. This meeting can also be viewed at youtube.com/metrocable14.

PUBLIC OPPORTUNITY TO DISCUSS MATTERS OF PUBLIC INTEREST WITHIN DISTRICT JURISDICTION INCLUDING ITEMS ON OR NOT ON AGENDA

*The Board of Directors of the Sacramento Metropolitan Fire District appreciates and encourages public interest and welcomes questions and opinions at its meetings. Public members desiring to address the Board are requested to first be recognized by the presiding officer and identify themselves for the record. The presiding officer may in the interest of time and good order limit the number of public member presentations. Speakers' comments will be limited to **three minutes** (Per Section 31 of the Board of Directors Policies and Procedures).*

In accordance with Section 31 of the Board of Directors Policies and Procedures, members of the Public requesting their written comments be read into the meeting record must be present or have a representative present to read their comments during the time allotted.

CONSENT ITEMS

Matters of routine approval including but not limited to action summary minutes, referral of issues to committee, committee referrals to the full Board, items that require yearly approval, declaration of surplus equipment, and other consent matters. Consent Agenda is acted upon as one unit unless a Board member requests separate discussion and/or action.

CONSENT ITEMS

- | | <u>Page No.</u> |
|---|-----------------|
| 1. Action Summary Minutes
Recommendation: Approve the Action Summary Minutes for the Regular Board meeting of February 9, 2023. | 6 |
| 2. 2023 Annual Investment Policy
Recommendation: Receive and adopt the 2023 Annual Investment Policy For Sacramento County Pooled Investment Fund. | 13 |

PRESENTATION ITEMS

- | | |
|---|----|
| 1. Fiscal Year 2021/22 Annual Comprehensive Financial Report (ACFR) and Accompanying Audit Reports
<i>(Dave O'Toole, Chief Financial Officer and Ingrid Sheipline, CPA)</i> | 29 |
| A. Annual Comprehensive Financial Report (ACFR)
**PDF Separate Attachment
Recommendation: Receive Presentation. No action required. | 31 |
| B. Compliance Report
Recommendation: Receive Presentation. No action required. | 32 |



Sacramento Metropolitan Fire District

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REGULAR BOARD MEETING

THURSDAY, FEBRUARY 23, 2023

- C. **Appropriations Limit Testing** 43
Recommendation: Receive Presentation. No action required.
- D. **Governance Letter** 46
Recommendation: Receive Presentation. No action required.
2. **FY 2021/2022 Community Annual Report (CAR)** 50
(Dave O'Toole, Chief Financial Officer)
Recommendation: Receive presentation, no action required.
3. **Pre-employment Screening Process** *(Deputy Chief Bailey)* *
Recommendation: Receive presentation, no action required.
4. **Workers' Compensation Overview** *
*(Human Resources Manager, Melisa Maddux and
Workers' Compensation Coordinator Candace Sarlis)*
Recommendation: Receive presentation, no action required.
5. **Leadership Legacy Recognition – Jeff Wells** *(Interim Fire Chief Haverty)* 67
Recommendation: Receive presentation, no action required.

ACTION ITEMS

1. **State Funding Acceptance – Zinfandel First Responder Training Facility** 70
(Erin Castleberry, Administrative Analyst)
Recommendation: Adopt the Funding Acceptance Resolution and Amendment to the FY2022/2023 Capital Improvement Plan Resolution.
2. **Emergency Work Approval – Station 101 Repairs** *(Deputy Chief Wagaman)* *
Recommendation: Approve that an emergency still exists and continue to authorize contracting without a competitive solicitation of bids pursuant to PCC Section 22050.
3. **Ratification of Resolution to Extend Teleconference of Board Meetings (Government Code 54953(e) (3))** *(President Clark)* 73
Recommendation: Consider adopting a Resolution which would extend the ability to teleconference without compliance of Government Code paragraph (3) of subdivision (b) of section 54953 from February 23, 2023 – February 28, 2023 or until further re-ratified.
4. **Industrial Disability Retirement – Captain Robert Raddigan** **
(Interim Fire Chief Haverty)
Recommendation: After discussion in Closed Session, consider adopting a Resolution finding Captain Robert Raddigan has suffered job related injuries and is eligible for an Industrial Disability Retirement.

REPORTS

1. **PRESIDENT'S REPORT**—*(President Clark)*



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REGULAR BOARD MEETING

THURSDAY, FEBRUARY 23, 2023

2. **FIRE CHIEF'S REPORT**—(*Interim Fire Chief Haverty*)
OPERATIONS REPORT – (*Deputy Chief Mitchell*)
ADMINISTRATIVE REPORT – (*Deputy Chief Bailey*)
SUPPORT SERVICES REPORT – (*Deputy Chief Wagaman*)
3. **GENERAL COUNSEL REPORT** – (*General Counsel Lavra*)
4. **SMFD – FIREFIGHTERS LOCAL 522 REPORT** – (*BC Matt Cole, Local 522 Vice President*)
5. **COMMITTEE AND DELEGATE REPORTS**
All Committee Meetings will be held at the Sacramento Metropolitan Fire District Board Room, 10545 Armstrong Avenue, Mather, California unless otherwise specified.
 - A. **Executive Committee** – (*President Clark*)
Next Meeting: TBD
 - B. **Communications Center JPA** – (*DC Wagaman*)
Report Out: February 14, 2023 at 9:00 AM
Next Meeting: TBD
 - C. **Finance and Audit Committee** – (*Director Wood*)
Report Out: February 23, 2023 at 5:00pm
Next Meeting: April 27, 2023 at TBD
 - D. **Policy Committee** – (*Director Costa*)
Next Meeting: March 9, 2023 at 5:30pm

BOARD MEMBER QUESTIONS AND COMMENTS

CLOSED SESSION

1. **Pursuant to California Government Code Section 54956.9 (a) – One (1) matter of Workers Compensation Compromise and Release**

Brian Swindler and the Sacramento Metropolitan Fire District
Claim # SMDM-549969 – Workers Compensation Settlement Authority
Colin Connor of Lenahan, Slater, Pearse & Majernik, LLP
2. **Pursuant to California Government Code Section 54956.9 (a) – One (1) matter of Industrial Disability Retirement.**

Robert Raddigan and the Sacramento Metropolitan Fire District
Claim # 4A21110DWQJ-0001 – Industrial Disability Retirement
Ty Bailey, Deputy Chief Administration
3. **Pursuant to California Government Code 54957(a)**
Consultation with District Counsel and Cyber Security Manager
4. **PERSONNEL MATTERS – PUBLIC EMPLOYEE EMPLOYMENT**
Pursuant to California Government Code Section 54957
Board Clerk Selection Process



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REGULAR BOARD MEETING

THURSDAY, FEBRUARY 23, 2023

5. **PERSONNEL MATTERS – PUBLIC EMPLOYEE EMPLOYMENT**
Pursuant to California Government Code Section 54957
Fire Chief Selection Process

CLOSED SESSION REPORT OUT
ADJOURNMENT

NEXT BOARD MEETING(S):

Unless specified differently, all meetings of the Board are held at Sacramento Metropolitan Fire District, 10545 Armstrong Avenue, Mather, CA

- Regular Board Meeting – March 9, 2023 at 6:00 PM


The following action and presentation items are scheduled for the next board meeting agenda. Board members are requested to identify additional action or presentation items they desire to be scheduled on the agenda.

ANTICIPATED AGENDA ITEMS: FY 2022/23 Mid-Year Budget

Posted on February 17, 2023

Melissa Penilla, Clerk of the Board

* No written report

**  Separate Attachment

DISABILITY INFORMATION:

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Clerk of the Board at (916) 859-4305. Notification at least 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.



DAN HAVERTY
Interim Fire Chief

Sacramento Metropolitan Fire District

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ACTION SUMMARY MINUTES – REGULAR MEETING

BOARD OF DIRECTORS SACRAMENTO METROPOLITAN FIRE DISTRICT

Thursday, February 9, 2023

Held at the following locations:

10545 Armstrong Avenue – Board Room

Mather, California

&

Remotely Via Zoom

CALL TO ORDER

The meeting was called to order at 6:02 pm by President Clark. Board members present in person: Clark, Costa, Jones, Sheetz, Webber, and Wood. Board members present virtually: Gould. Board members absent: Rice and Saylor. Staff present: Interim Chief Haverty, General Counsel Lavra, and Board Clerk Penilla.

PUBLIC COMMENT - None

CONSENT ITEMS

Action: Moved by Wood, seconded by Jones, and carried unanimously by members present to adopt the consent calendar as follows:

1. **Action Summary Minutes**

Recommendation: Approve the Action Summary Minutes for the Regular Board meeting of January 26, 2023.

Action: Approved the Action Summary Minutes.

PRESENTATION ITEM

1. **Workers' Compensation Update** (*Interim Chief Haverty*)

Recommendation: Receive presentation, no action required.

Action: Presentation received, no action taken.

ACTION ITEMS

1. **California Senate Bill 1205 Mandatory Inspections & Compliance Reporting for CY 2022** (*Deputy Fire Marshal Amy Nygren*)

Recommendation: Adopt a resolution acknowledging receipt of the annual report regarding the inspection of public and private schools and certain residential occupancies for calendar year 2022.

Action: Moved by Jones, seconded by Costa, and carried unanimously by members present to adopt Resolution No. 2023-006.

2. **Emergency Work Approval – Station 101 Repairs** (*Deputy Chief Wagaman*)

Recommendation: Adopt a resolution finding that an emergency does exist and authorize contracting without a competitive solicitation of bids pursuant to PCC Section 22050.

Discussion: Deputy Chief Wagaman provided an update to the Board that on January 29, 2023 a fire occurred in the kitchen of Fire Station 101, causing damage to the

kitchen, dormitory, day-room, and Emergency Medical Services (EMS) room. The Engine 101 crew has been relocated to sleep at the Arson building adjacent to Station 101, and Medic 101 has been relocated to nearby Station 102. Urgent repair is required to restore Station 101 to a condition safe for occupancy; and the existing conditions create an emergency situation that impacts the health and safety of staff. Expeditious repair is essential to ensure continuous service delivery to the community.

Action: Moved by Webber, seconded by Jones, and carried unanimously by members present to adopt Resolution No. 2023-007.

REPORTS

1. **PRESIDENT'S REPORT** - (*President Clark*) – No report.

2. **FIRE CHIEF'S REPORT** - (*Interim Chief Haverty*)

Promotions

Congratulations to Emmanuel (Manny) Batiz for being promoted to Fire Inspector II, effective January 26th.

Congratulations to Amanda Berkey and Anthony Berkey for being promoted to Plan Intake Specialists, effective February 1st.

Congratulations to Tomas Faddis for being promoted to Engineer, effective February 6th.

Recruitment

Board Clerk, internal and external recruitment, final filing February 21st by 4:00pm.

Paramedic, external, final filing March 10th by 4:00pm.

Years of Service

Office Technician Nanette Goodwin was awarded her 15 years of service pin this morning.

Members of the Year 2022

On behalf of the Member of the Year selection committee, I would like to announce the individuals selected for Member of the Year 2022 for their respective category.

- Captain Steven Oberlander – Suppression recipient
- Senior Staff Administrative Coordinator Jill Guzman – Professional Staff recipient

The following individuals were nominated for a category of Member of the Year and will receive a Peer Recognition certificate:

- Administrative Specialist Dana Lipps
- Battalion Chief Matt Cole
- Captain Bryce Beverage
- Captain Russell Gardner
- Communications Technician II Alejandro (Alex) Ybarra
- Firefighter Jason Ekin
- Firefighter Kevin King
- Human Resources Analyst Leslie Miller

- Logistics Technician Brad Graham
- Mechanic Scott Courtney (Retired)
- Procurement Specialist Courtney Moore

Additionally, the following individuals will receive award commendations for:

- Medal of Valor Firefighter Tucker Hodge for incident #22-183909
- Commendation of Valor Captain Steven Oberlander for incident #22-235221
- Company Commendation Captain Shawn Lemon, Engineer Philip Alexander, Firefighter Tucker Hodge for incident #22-183909
- Company Commendation Captain Steven Oberlander, Engineer Matthew Crooks, Firefighter Brian Smith for incident #22-235221
- Company Commendation Captain Bryce Mitchell, Captain James Doyle, Firefighter Matt Dargan, Firefighter Brian Conn for incident #22-138406
- Company Commendation – Fire Ground Survival Cadre:
 - Captain Bryan Dupertuis
 - Captain Jeff Malinowski
 - Captain Ryan McMahon
 - Captain Aaron Montgomery
 - Captain Dave Bare
 - Captain Trevor Gordon
 - Captain Brendan Hogan
 - Captain Josh Leonard
 - Captain Scott Lohmeyer
 - Captain Craig Ricci
 - Captain Ben Cargile
 - Captain Jeremy Dabb
 - Captain Shawn Lemon
 - Captain Aaron Lindquist
 - Captain Steven Oberlander
 - Captain Dustin Rodriques
 - Engineer Alexander Carl
 - Firefighter Brett Ferrill
 - Firefighter Andrew Najera
 - Firefighter Kevin Steward
 - Firefighter Austin Thiel
 - Firefighter Jason Watts
 - Firefighter Lorenzo Wood
 - Firefighter Jason Ekin
 - Firefighter Gabe Gomez
 - Firefighter Michelle Landaeta
 - Firefighter Daniel Rosso
 - Firefighter Matthew Hauser
 - Firefighter Christopher Pike
 - Firefighter Katie Trimble

- Peer Recognition Commendation Captain Tyler Block
- Peer Recognition Commendation Captain Ryan Manfredi
- Peer Recognition Commendation Captain Ryan Pulis
- Peer Recognition Commendation Captain Jeremy Crawford
- Peer Recognition Commendation Captain Josh Leonard
- Peer Recognition Commendation Captain Scott Lohmeyer
- Peer Recognition Commendation Captain Dave Bare
- Peer Recognition Commendation Captain Duane Miller
- Peer Recognition Commendation Engineer Kevin Gresham
- Peer Recognition Commendation Engineer Beau Levesque
- Peer Recognition Commendation Logistics Technician Anthony Berkey
- Peer Recognition Commendation Logistics Technician Brad Graham
- Peer Recognition Commendation Logistics Technician Rork Crusto
- Peer Recognition Commendation Payroll Supervisor Sarah Ortiz
- Peer Recognition Commendation Safety Specialist Robert Sestito
- Peer Recognition Commendation Safety Specialist Brian Spence

Awards will be presented at our Awards Gala on March 30, 2023.

Thank you to the Member of the Year selection committee for their hard work and recommendations for selections for the Member of the Year.

Fill the Boot

Fill the Boot for the Burn Foundation Boot Drive 2023 was held at The Sunrise MarketPlace February 2-5, with the Chief's Challenge on Saturday, February 4th. Thank you to everyone who helped make this event possible, to those that volunteered their time, those who donated monetarily, and to the many staff that assisted with the Safety Fair and its logistics. It was a great turnout from all regional agencies, and the Safety Fair was well attended. As of yesterday, the estimated total raised during this event was \$168,313, with a collection of \$24,194 during the Chief's Challenge alone. Metro Fire collected twice the amount of the next closest fire department during the actual Chief's Challenge on Saturday at over \$3,000. However, I need to apologize for losing the legacy of the Trophy residing at Metro Fire to Cosumnes' Chief, Felipe Rodriguez, for winning the Chief's Challenge this year.

Next session of Brown Act Training

Mr. Pat Kernan and his associates will be back on Thursday, February 23rd from 2:00-4:00 PM for the second session of our Brown Act training. For those members of the Department staying for all of the afternoon and evenings gatherings, we will provide a dinner option. He let the public know the dinner is not being provided with tax-paying funds.

Roll-out of "Reframing Organizations."

On Wednesday, I began the roll-out of the Reframing Organizations educational classes with the BC's, AC's, DC's, Fire Marshal and Deputy Fire Marshal. The next group of managers will be on Monday, February 27th.

Director Rice Data Request

The following data will be included in the 2021-22 Community Annual Report.

1. # of firefighter, engineer and captain injuries / deaths
2. # of lost time (days) due to industrial injury and illnesses
3. Dollars spent for coverage of lost time due to injury / illness
4. Number of physical rescues performed
5. Annual fires responded to broken down by:
 - a. Structural fires (commercial and residential)
 - b. Vehicle fires
 - c. Vegetation Fires
 - d. Other Fires

The number of injuries sustained by members while responding to an EMS call is not something we track. We won't be able to go through every case file to segregate the injuries resulting from EMS calls in time for the publication of the Community Annual Report.

PP-GEMT Work Group

This group has met to discuss our way forward, the various elements of organizational needs in this area and a parceling of work for us. Yesterday's meeting was quite productive in our mission of working toward gaining the necessary knowledge, capabilities to work with this important subject.

OPERATIONS REPORT

On behalf of Deputy Chief Mitchell, Mike Lozano, Assistant Chief of Training provided the operations report. He first gave a perspective to the Board of Directors specific to the division he oversees. The Training Division works to identify and reduce risks, from the cancer and heart related exposures, to mental wellness, to safety of personnel through fit testing and cleaning of PPE. They are keenly aware of the risks associated with this line of work and are constantly working towards making it a healthier and safer job.

ADMINISTRATIVE REPORT – No report.

SUPPORT SERVICES REPORT

Deputy Chief Wagaman shared an update on the Facilities Division. He highlighted the career of John Raeside, Facilities Manager, who has over 40 years of experience, 22 being with Metro Fire. He is a symbol of the District's core values. When asked to describe the Facilities Division, he said they operate like a small construction company. With four technicians, each who has their own specialty in HVAC, plumbing, electricity, and general contracting, they have a total of over 125 years of experience. A few of their 2022 accomplishments include installing the mobile bathroom at Station 23, redoing the electricity at Hurley, SAFER grant installation, and HVAC system replacement at Headquarters

3. GENERAL COUNSEL REPORT – No report.

4. SMFD – FIREFIGHTERS LOCAL 522 REPORT

Battalion Chief Matt Cole, Local 522 Vice President, welcomes the opportunity to discuss constant staffing and places an importance on this issue.

He recently attended the Affiliate Leadership Symposium where he spent a significant amount of time in leadership classes, connected with local leaders, and reinforced with state and federal leaders that labor will be involved.

VP Cole also shared with the Board the safety gear firefighters wear is loaded made with carcinogenic materials. So the very gear used to protect them in fires, is also giving them cancer. He is looking forward to working with the IAFF to champion change in this area.

He additionally participated in a shop steward meeting, deployment standards of coverage, general membership meeting, RFP process for the third party administrator for workers' compensation, and the boot drive this past weekend.

4. COMMITTEE AND DELEGATE REPORTS

All Committee Meetings will be held at the Sacramento Metropolitan Fire District Board Room, 10545 Armstrong Avenue, Mather, California unless otherwise specified.

A. **Executive Committee** – (President Clark)

Report Out: February 9, 2023 at 5:15 PM

Director Clark shared that Director Costa was appointed to the Policy Committee.

Next Meeting: TBD

B. **Communications Center JPA** – (DC Wagaman)

Next Meeting: February 14, 2023 at 9:00 AM

C. **Finance and Audit Committee** – (Director Wood)

Next Meeting: February 23, 2023 at 5:00pm

D. **Policy Committee** – (Director Goold)

Report Out: February 9, 2023 at 5:30 PM

Director Goold shared that Director Costa was appointed to Chair, and Director Saylor to Vice Chair for 2023. Additionally, they heard a presentation on the password policy, and recommends this policy be reviewed annually.

Next Meeting: TBD

BOARD MEMBER QUESTIONS AND COMMENTS

Director Costa thanks the Policy Committee for appointing him as the Chair for 2023, he also congratulated all the award recipients.

Director Webber sees a common thread in all divisions, everyone could use more help. It is beneficial to be in-tune with other divisions, and hopes there is a long-term plan for assistance in the divisions who need help. Lastly, he requested a copy of the service delivery report generated last year.

Director Goold congratulated the Community Risk Reduction Division on their inspection accomplishments, and thanks them for the presentation. He also congratulated the men and women who received the awards and commendations.

Director Jones thanked staff for their reports. She looks forward to further discussion issues during the future workshop.

Director Wood thanked staff for their presentations, and thanked BC Cole for the information related to turnouts. Director Wood shared his experience at the Boot Drive this past weekend, as he has been volunteering for the Firefighters Burn Institute since 2015. He was happy to volunteer, and so was his wife who spent the weekend in the counting room.

The Board recessed to closed session at 7:18 pm.

CLOSED SESSION

**1. CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION –
Pursuant to California Government Code Section 54956.9(a): Two cases**

A. Case No. 34-2019-00260157
Walton v. Sacramento Metropolitan Fire District
General Counsel Lavra
Action: The Board took no reportable action.

B. Case No. 34-2020-00283391
Duran v. Sacramento Metropolitan Fire District
General Counsel Lavra
Action: The Board took no reportable action.

**2. PERSONNEL MATTERS – PUBLIC EMPLOYEE EMPLOYMENT
Pursuant to California Government Code Section 54957**

Board Clerk Selection Process
Action: The Board took no reportable action.

The board reconvened to open session at 7:51 pm.

ADJOURNMENT

The meeting was adjourned at 7:54 pm.

D'Elman Clark, President

Ted Wood, Secretary

Melissa Penilla, Board Clerk



Sacramento Metropolitan Fire District

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DAN HAVERTY
Interim Fire Chief

Date: February 23, 2023
To: Board of Directors
Re: Calendar Year 2023 Investment Policy

Background

California Government Code §53646(b) requires the District's fiscal officer to submit a statement of investment policy to the legislative body.

Discussion

In previous years, the District adopted the Annual Investment Policy for Sacramento County Pooled Investment Fund which is revised annually. The Finance Division uses this policy to guide its investment procedures.

Recommendation

Staff recommends that the Committee receive and adopt the 2023 Annual Investment Policy for Sacramento County Pooled Investment Fund.

Submitted by:



Ronald Empedrad
Controller

Approved by:



Dave O'Toole
Chief Financial Officer



SACRAMENTO COUNTY

**Annual Investment Policy
of the Pooled Investment Fund**

CALENDAR YEAR 2023

*Approved by the
Sacramento County Board of Supervisors*

December 6, 2022
Resolution No. 2022-1002

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SACRAMENTO COUNTY

**Annual Investment Policy
of the Pooled Investment Fund**

CALENDAR YEAR 2023

I. Authority

Under the Sacramento County Charter, the Board of Supervisors established the position of Director of Finance and by ordinance will annually review and renew the Director of Finance's authority to invest and reinvest all the funds in the County Treasury.

II. Policy Statement

This Investment Policy (Policy) establishes cash management and investment guidelines for the Director of Finance, who is responsible for the stewardship of the Sacramento County Pooled Investment Fund. Each transaction and the entire portfolio must comply with California Government Code and this Policy. All portfolio activities will be judged by the standards of the Policy and its investment objectives. Activities that violate its spirit and intent will be considered contrary to the Policy.

III. Standard of Care

The Director of Finance is the Trustee of the Pooled Investment Fund and therefore, a fiduciary subject to the prudent investor standard. The Director of Finance, employees involved in the investment process, and members of the Sacramento County Treasury Oversight Committee (Oversight Committee) shall refrain from all personal business activities that could conflict with the management of the investment program. All individuals involved will be required to report all gifts and income in accordance with California state law. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the Director of Finance shall act with care, skill, prudence, and diligence to meet the aims of the investment objectives listed in Section IV, Investment Objectives.

IV. Investment Objectives

The Pooled Investment Fund shall be prudently invested in order to earn a reasonable return, while awaiting application for governmental purposes. The specific objectives for the Pooled Investment Fund are ranked in order of importance.

A. Safety of Principal

The preservation of principal is the primary objective. Each transaction shall seek to ensure that capital losses are avoided, whether they be from securities default or erosion of market value.

B. Liquidity

As a second objective, the Pooled Investment Fund should remain sufficiently flexible to enable the Director of Finance to meet all operating requirements that may be reasonably anticipated in any depositor's fund.

C. Public Trust

In managing the Pooled Investment Fund, the Director of Finance and the authorized investment traders should avoid any transactions that might impair public confidence in Sacramento County and the participating local agencies. Investments should be made with precision and care, considering the probable safety of the capital as well as the probable income to be derived.

D. Maximum Rate of Return

As the fourth objective, the Pooled Investment Fund should be designed to attain a market average rate of return through budgetary and economic cycles, consistent with the risk limitations, prudent investment principles and cash flow characteristics identified herein. For comparative purposes, the State of California Local Agency Investment Fund (LAIF) will be used as a performance benchmark. The Pooled Investment Fund quarterly performance benchmark target has been set at or above LAIF's yield. This benchmark was chosen because LAIF's portfolio structure is similar to the Pooled Investment Fund.

V. Pooled Investment Fund Investors

The Pooled Investment Fund investors are comprised of Sacramento County, school and community college districts, districts directed by the Board of Supervisors, and independent special districts and joint powers authorities whose treasurer is the Director of Finance. Any local agencies not included in this category are subject to California Government Code section 53684 and are referred to as outside investors.

VI. Implementation

In order to provide direction to those responsible for management of the Pooled Investment Fund, the Director of Finance has established this Policy and will provide it to the Oversight Committee and render it to legislative bodies of local agencies that participate in the Pooled Investment Fund. In accordance with California Government Code section 53646, et seq., the Board of Supervisors shall review and approve this Policy annually at a public meeting.

This Policy provides a detailed description of investment parameters used to implement the investment process and includes the following: investable funds; authorized instruments; prohibited investments; credit requirements; maximum maturities and concentrations; repurchase agreements; Community Reinvestment Act Program; criteria

and qualifications of broker/dealers and direct issuers; investment guidelines, management style and strategy; Approved Lists; and calculation of yield and costs.

VII. Internal Controls

The Director of Finance shall establish internal controls to provide reasonable assurance that the investment objectives are met and to ensure that the assets are protected from loss, theft, or misuse. To assist in implementation and internal controls, the Director of Finance has established an Investment Group and a Review Group.

The Investment Group, which is comprised of the Director of Finance and his/her designees, is responsible for maintenance of the investment guidelines and Approved Lists. These guidelines and lists can be altered daily, if needed, to adjust to the ever-changing financial markets. The guidelines can be more conservative or match the policy language. In no case can the guidelines override the Policy.

The Review Group, which is comprised of the Director of Finance and his/her designees, is responsible for the monthly review and appraisal of all the investments purchased by the Director of Finance and staff. This review includes bond proceeds, which are invested separately from the Pooled Investment Fund and are not governed by this Policy.

The Director of Finance shall establish a process for daily, monthly, quarterly, and annual review and monitoring of the Pooled Investment Fund activity. The following articles, in order of supremacy, govern the Pooled Investment Fund:

1. California Government Code
2. Annual Investment Policy
3. Current Investment Guidelines
4. Approved Lists (see page 9, Section IX.K)

The Director of Finance shall review the daily investment activity and corresponding bank balances.

Monthly, the Review Group shall review all investment activity and its compliance to the corresponding governing articles and investment objectives.

All securities purchased, with the exception of bank deposits, money market mutual funds, and LAIF, shall be delivered to the independent third-party custodian selected by the Director of Finance. This includes all collateral for repurchase agreements. All trades, where applicable, will be executed by delivery versus payment by the designated third-party custodian.

VIII. Sacramento County Treasury Oversight Committee

In accordance with California Government Code section 27130 et seq., the Board of Supervisors, in consultation with the Director of Finance, has created the Sacramento County Treasury Oversight Committee (Oversight Committee). Annually, the Oversight

Committee shall cause an audit to be conducted on the Pooled Investment Fund. The meetings of the Oversight Committee shall be open to the public and subject to the Ralph M. Brown Act.

A member of the Oversight Committee may not be employed by an entity that has contributed to the campaign of a candidate for the office of local treasurer, or contributed to the campaign of a candidate to be a member of a legislative body of any local agency that has deposited funds in the county treasury, in the previous three years or during the period that the employee is a member of the Oversight Committee. A member may not directly or indirectly raise money for a candidate for local treasurer or a member of the Sacramento County Board of Supervisors or governing board of any local agency that has deposited funds in the county treasury while a member of the Oversight Committee. Finally, a member may not secure employment with, or be employed by bond underwriters, bond counsel, security brokerages or dealers, or financial services firms, with whom the treasurer is doing business during the period that the person is a member of the Oversight Committee or for one year after leaving the committee.

The Oversight Committee is not allowed to direct individual investment decisions, select individual investment advisors, brokers or dealers, or impinge on the day-to-day operations of the Department of Finance treasury and investment operations.

IX. Investment Parameters

A. Investable Funds

Total Investable Funds (TIF) for purposes of this Policy are all Pooled Investment Fund moneys that are available for investment at any one time, including the estimated bank account float. Included in TIF are funds of outside investors, if applicable, for which the Director of Finance provides investment services. Excluded from TIF are all funds held in separate portfolios.

The Cash Flow Horizon is the period in which the Pooled Investment Fund cash flow can be reasonably forecasted. This Policy establishes the Cash Flow Horizon to be one (1) year.

Once the Director of Finance has deemed that the cash flow forecast can be met, the Director of Finance may invest funds in securities with maturities beyond one year. These securities will be referred to as the Core Portfolio.

B. Authorized Investments

Authorized investments shall match the general categories established by the California Government Code sections 53601 et seq. and 53635 et seq. Authorized investments shall include, in accordance with California Government Code section 16429.1, investments into LAIF. Authorization for specific instruments within these general categories, as well as narrower portfolio concentration and maturity limits, will be established and maintained by the Investment Group as part of the Investment

Guidelines. As the California Government Code is amended, this Policy shall likewise become amended.

C. Prohibited Investments

No investments shall be authorized that have the possibility of returning a zero or negative yield if held to maturity except for securities issued by, or backed by, the United States government during a period of negative market interest rates. Prohibited investments shall include inverse floaters, range notes, and interest only strips derived from a pool of mortgages.

All legal investments issued by a tobacco-related company are prohibited. A tobacco-related company is defined as an entity that makes smoking products from tobacco used in cigarettes, cigars, or snuff or for smoking in pipes. The tobacco-related issuers restricted from any investment are any component companies in the Dow Jones U.S. Tobacco Index or the NYSE Arca Tobacco Index.

D. Credit Requirements

Except for municipal obligations and Community Reinvestment Act (CRA) bank deposits and certificates of deposit, the issuer's short-term credit ratings shall be at or above A-1 by Standard & Poor's, P-1 by Moody's, and, if available, F1 by Fitch, and the issuer's long-term credit ratings shall be at or above A by Standard & Poor's, A2 by Moody's, and, if available, A by Fitch. There are no credit requirements for Registered State Warrants. All other municipal obligations shall be at or above a short-term rating of SP-1 by Standard & Poor's, MIG1 by Moody's, and, if available, F1 by Fitch.

Community Reinvestment Act Program Credit Requirements

Maximum Amount	Minimum Requirements
Up to the FDIC- or NCUSIF-insured limit for the term of the deposit	Banks — FDIC Insurance Coverage
	Credit Unions — NCUSIF Insurance Coverage <i>Credit unions are limited to a maximum deposit of the NCUSIF-insured limit since they are not rated by nationally recognized rating agencies and are not required to provide collateral on public deposits.</i>
Over the FDIC- or NCUSIF-insured limit	<p>(Any 2 of 3 ratings)</p> <p>S&P: A-2</p> <p>Moody's: P-2</p> <p>Fitch: F-2</p> <p style="text-align: center;">OR</p> <p>Collateral is required</p> <p style="text-align: right;">Through a private sector entity that assists in the placement of deposits to achieve FDIC insurance coverage of the full deposit and accrued interest.</p>

Eligible banks must have Community Reinvestment Act performance ratings of "satisfactory" or "outstanding" from their federal regulator. In addition, deposits greater than the federally-insured amount must be collateralized. Banks must either have a letter of credit issued by the Federal Home Loan Bank of San Francisco or place securities worth between 110% and 150% of the value of the deposit with the Federal Reserve Bank of San Francisco, the Home Loan Bank of San Francisco, or a trust bank.

Since credit unions do not have Community Reinvestment Act performance ratings, they must demonstrate a commitment to community reinvestment lending and charitable activities comparable to what is required of banks.

All commercial paper and medium-term note issues must be issued by corporations operating within the United States and having total assets in excess of one billion dollars (\$1,000,000,000).

The Investment Group may raise these credit standards as part of the Investment Guidelines and Approved Lists. Appendix A provides a Comparison and Interpretation of Credit Ratings by Standard & Poor's, Moody's, and Fitch.

E. Maximum Maturities

Due to the nature of the invested funds, no investment with limited market liquidity should be used. Appropriate amounts of highly-liquid investments, such as U.S. Treasury and Agency obligations, should be maintained to accommodate unforeseen withdrawals.

The maximum maturity, determined as the term from the date of ownership to the date of maturity, for each investment shall be established as follows:

U.S. Treasury and Agency Obligations.....	5 years
Washington Supranational Obligations ¹	5 years
Municipal Notes	5 years
Registered State Warrants	5 years
Bankers Acceptances	180 days
Commercial Paper	270 days
Negotiable Certificates of Deposit	180 days
CRA Bank Deposit/Certificates of Deposit.....	1 year
Repurchase Agreements	1 year
Reverse Repurchase Agreements.....	92 days
Medium-Term Corporate Notes	180 days
Collateralized Mortgage Obligations.....	180 days

¹ The International Bank for Reconstruction and Development, International Finance Corporation, and Inter-American Development Bank.

The Investment Group may reduce these maturity limits to a shorter term as part of the Investment Guidelines and the Approved Lists.

The ultimate maximum maturity of any investment shall be five (5) years. The dollar-weighted average maturity of all securities shall be equal to or less than three (3) years.

F. Maximum Concentrations

No more than 80% of the portfolio may be invested in issues other than U.S. Treasury and Agency obligations. The maximum allowable percentage for each type of security is set forth as follows:

U.S. Treasury and Agency Obligations	100%
Municipal Notes.....	80%
Registered State Warrants.....	80%
Bankers Acceptances	40%
Commercial Paper	40%
Washington Supranational Obligations.....	30%
Negotiable Certificates of Deposit and CRA Deposit/Certificates of Deposit	30%
Repurchase Agreements	30%
Reverse Repurchase Agreements	20%
Medium-Term Corporate Notes.....	30%
Money Market Mutual Funds.....	20%
Collateralized Mortgage Obligations	20%
Local Agency Investment Fund (LAIF).....	(per State limit)

The Investment Group may reduce these concentrations as part of the Investment Guidelines and the Approved Lists.

Excluding U.S. Treasury and Agency obligations, no more than 10% of the portfolio, may be invested in securities of a single issuer including its related entities.

Where a percentage limitation is established above, for the purpose of determining investment compliance, that maximum percentage will be applied on the date of purchase.

G. Repurchase Agreements

Under California Government Code section 53601, paragraph (j) and section 53635, the Director of Finance may enter into Repurchase Agreements and Reverse Repurchase Agreements. The maximum maturity of a Repurchase Agreement shall be one year. The maximum maturity of a reverse repurchase agreement shall be 92 days, and the proceeds of a reverse repurchase agreement may not be invested beyond the expiration of the agreement. The reverse repurchase agreement must be "matched to maturity" and meet all other requirements in the code.

All repurchase agreements must have an executed Sacramento County Master Repurchase Agreement on file with both the Director of Finance and the

Broker/Dealer. Repurchase Agreements executed with approved broker-dealers must be collateralized with either: (1) U.S. Treasury and Agency obligations with a market value of 102% for collateral marked to market daily; or (2) money market instruments on the Approved Lists of the County that meet the qualifications of the Policy, with a market value of 102%. Since the market value of the underlying securities is subject to daily market fluctuations, investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day. Use of mortgage-backed securities for collateral is not permitted. Strictly for purposes of investing the daily excess bank balance, the collateral provided by the Sacramento County's depository bank can be U.S. Treasury and Agency obligations valued at 110%, or mortgage-backed securities valued at 150%.

H. Community Reinvestment Act Program

The Director of Finance has allocated within the Pooled Investment Fund, a maximum of \$90 million for the Community Reinvestment Act Program to encourage community investment by financial institutions, which includes community banks and credit unions, and to acknowledge and reward local financial institutions that support the community's financial needs. The Director of Finance may increase this amount, as appropriate, while staying within the investment policy objectives and maximum maturity and concentration limits. The eligible banks and savings banks must have Community Reinvestment Act performance ratings of "satisfactory" or "outstanding" from each financial institution's regulatory authority. The minimum credit requirements are located on page 5 of Section IX.D.

I. Criteria and Qualifications of Brokers/Dealers and Direct Issuers

All transactions initiated on behalf of the Pooled Investment Fund and Sacramento County shall be executed through either government security dealers reporting as primary dealers to the Market Reports Division of the Federal Reserve Bank of New York or direct issuers that directly issue their own securities that have been placed on the Approved List of brokers/dealers and direct issuers. Further, these firms must have an investment grade rating from at least two national rating services, if available.

Brokers/Dealers and direct issuers that have exceeded the political contribution limits, as contained in Rule G-37 of the Municipal Securities Rulemaking Board, within the preceding four-year period to the Director of Finance, any member of the Board of Supervisors, or any candidate for the Board of Supervisors, are prohibited from the Approved List of brokers/dealers and direct issuers.

Each broker/dealer and direct issuer will be sent a copy of this Policy and a list of those persons authorized to execute investment transactions. Each firm must acknowledge receipt of such materials to qualify for the Approved List of brokers/dealers and direct issuers.

Each broker/dealer and direct issuer authorized to do business with Sacramento County shall, at least annually, supply the Director of Finance with audited financial statements.

J. Investment Guidelines, Management Style and Strategy

The Investment Group shall issue and maintain Investment Guidelines specifying authorized investments, credit requirements, permitted transactions, and issue maturity and concentration limits consistent with this Policy.

The Investment Group shall also issue a statement describing the investment management style and current strategy for the entire investment program. The management style and strategy can be changed to accommodate shifts in the financial markets, but at all times they must be consistent with this Policy and its objectives.

K. Approved Lists

The Investment Group, named by the Director of Finance, shall issue and maintain various Approved Lists. These lists are:

1. Approved Domestic Banks for all legal investments.
2. Approved Foreign Banks for all legal investments.
3. Approved Commercial Paper and Medium Term Note Issuers.
4. Approved Money Market Mutual Funds.
5. Approved Firms for Purchase or Sale of Securities (Brokers/Dealers and Direct Issuers).
6. Approved Banks / Credit Unions for the Community Reinvestment Act Program.

L. Calculation of Yield and Costs

The costs of managing the investment portfolio, including but not limited to: investment management; accounting for the investment activity; custody of the assets; managing and accounting for the banking; receiving and remitting deposits; oversight controls; and indirect and overhead expenses are charged to the investment earnings based upon actual labor hours worked in respective areas. Costs of these respective areas are accumulated by specific cost accounting projects and charged to the Pooled Investment Fund on a quarterly basis throughout the fiscal year.

The Department of Finance will allocate the net interest earnings of the Pooled Investment Fund quarterly. The net interest earnings are allocated based upon the average daily cash balance of each Pooled Investment Fund participant.

X. Reviewing, Monitoring and Reporting of the Portfolio

The Review Group will prepare and present to the Director of Finance at least monthly a comprehensive review and evaluation of the transactions, positions, performance of the Pooled Investment Fund and compliance to the California Government Code, Policy, and Investment Guidelines.

Quarterly, the Director of Finance will provide to the Board of Supervisors, the Oversight Committee, and to any local agency participant that requests a copy, a detailed report on the Pooled Investment Fund. The report will also be posted on the Department of Finance website. Pursuant to California Government Code section 53646, the report will list the type of investments, name of issuer, maturity date, par and dollar amount of the investment. For the total Pooled Investment Fund, the report will list average maturity, the market value, and the pricing source. Additionally, the report will show any funds under the management of contracting parties, a statement of compliance to the Policy and a statement of the Pooled Investment Fund's ability to meet the expected expenditure requirements for the next six months.

XI. Withdrawal Requests for Pooled Fund Investors

The Director of Finance will honor all requests to withdraw funds for normal cash flow purposes that are approved by the Director of Finance at a one dollar net asset value. Any requests to withdraw funds for purposes other than immediate cash flow needs, such as for external investing, are subject to the consent of the Director of Finance. In accordance with California Government Code Sections 27133(h) and 27136, such requests for withdrawals must first be made in writing to the Director of Finance. When evaluating a request to withdraw funds, the Director of Finance will take into account the effect of a withdrawal on the stability and predictability of the Pooled Investment Fund and the interests of other depositors. Any withdrawal for such purposes will be at the market value of the Pooled Investment Fund on the date of the withdrawal.

XII. Limits on Honoraria, Gifts, and Gratuities

In accordance with California Government Code Section 27133(d), this Policy establishes limits for the Director of Finance; individuals responsible for management of the portfolios; and members of the Investment Group and Review Group who direct individual investment decisions, select individual investment advisors and broker/dealers, and conduct day-to-day investment trading activity. The limits also apply to members of the Oversight Committee. Any individual who receives an aggregate total of gifts, honoraria and gratuities in excess of \$50 in a calendar year from a broker/dealer, bank or service provider to the Pooled Investment Fund must report the gifts, dates and firms to the designated filing official and complete the appropriate State forms.

No individual may receive aggregate gifts, honoraria, and gratuities from any single source in a calendar year in excess of the amount specified in Section 18940.2(a) of Title 2, Division 6 of the California Code of Regulations. This limitation was \$520 for the

period January 1, 2021, to December 31, 2022. The limitation for January 1, 2023, to December 31, 2024 will be adjusted for inflation by the State Fair Political Practices Commission by January 2023. Any violation must be reported to the State Fair Political Practices Commission.

XIII. Terms and Conditions for Outside Investors

Outside investors may invest in the Pooled Investment Fund through California Government Code Section 53684. Their deposits are subject to the consent of the Director of Finance. The legislative body of the local agency must approve the Sacramento County Pooled Investment Fund as an authorized investment and execute a Memorandum of Understanding. Any withdrawal of these deposits must be made in writing 30 days in advance and will be paid based upon the market value of the Pooled Investment Fund. If the Director of Finance considers it appropriate, the deposits may be returned at any time to the local agency.

Appendix A

Comparison and Interpretation of Credit Ratings

Long Term Debt & Individual Bank Ratings			
Rating Interpretation	Moody's	S&P	Fitch
<i>Best-quality grade</i>	Aaa	AAA	AAA
<i>High-quality grade</i>	Aa1	AA+	AA+
	Aa2	AA	AA
	Aa3	AA-	AA-
<i>Upper Medium Grade</i>	A1	A+	A+
	A2	A	A
	A3	A-	A-
<i>Medium Grade</i>	Baa1	BBB+	BBB+
	Baa2	BBB	BBB
	Baa3	BBB-	BBB-
<i>Speculative Grade</i>	Ba1	BB+	BB+
	Ba2	BB	BB
	Ba3	BB-	BB-
<i>Low Grade</i>	B1	B+	B+
	B2	B	B
	B3	B-	B-
<i>Poor Grade to Default</i>	Caa	CCC+	CCC
<i>In Poor Standing</i>	-	CCC	-
	-	CCC-	-
<i>Highly Speculative Default</i>	Ca	CC	CC
	C	-	-
<i>Default</i>	-	-	DDD
	-	-	DD
	-	D	D

Short Term / Municipal Note Investment Grade Ratings			
Rating Interpretation	Moody's	S&P	Fitch
<i>Superior Capacity</i>	MIG-1	SP-1+/SP-1	F1+/F1
<i>Strong Capacity</i>	MIG-2	SP-2	F2
<i>Acceptable Capacity</i>	MIG-3	SP-3	F3

Appendix A

Short Term / Commercial Paper Investment Grade Ratings			
Rating Interpretation	Moody's	S&P	Fitch
<i>Superior Capacity</i>	P-1	A-1+/A-1	F1+/F1
<i>Strong Capacity</i>	P-2	A-2	F2
<i>Acceptable Capacity</i>	P-3	A-3	F3



DAN HAVERTY
Interim Fire Chief

Sacramento Metropolitan Fire District

10545 Armstrong Ave., Suite 200 · Mather, CA 95655 · Phone (916) 859-4300 · Fax (916) 859-3702

DATE: February 23, 2023
TO: Board of Directors
SUBJECT: FY 2021/22 Annual Comprehensive Financial Report (ACFR) and
Accompanying Audit Reports

SUMMARY

The Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022 and the accompanying audit reports have been completed and are presented to the Board for review and acceptance.

DISCUSSION

The Finance Division, with the assistance of other District divisions, annually prepares Metro Fire's ACFR, which is a detailed presentation of Metro Fire's financial condition. This year's ACFR will again be submitted to the Government Finance Officers Association (GFOA) for consideration in its *Certificate of Achievement for Excellence in Financial Reporting* award program, and Finance staff are confident that Metro Fire will be awarded the certificate for the ninth consecutive time.

The ACFR has been audited by Metro Fire's independent auditors, Richardson and Company, and has received a clean opinion. Along with the financial audit, the auditors performed an audit of Metro Fire's compliance with grant laws and regulations and determined the District has complied in all material respects. The auditors did not identify any material weakness to internal controls.

The following reports and letter are included in the Board packets and will be discussed by Metro Fire's independent auditors:

- Annual Comprehensive Financial Report (with Independent Auditor's Report)
- Compliance Report
 - Report on Internal Control over Financial Reporting
 - Single Audit Report
- Report on Appropriations Limit Testing
- Governance Letter

FISCAL IMPACT

There is no direct fiscal impact associated with accepting the auditor's reports.

RECOMMENDATION

Staff recommends that the Board accept the reports.

Submitted by:



Dave O' Toole
Chief Financial Officer

Approved by:

Dan Haverty
Interim Fire Chief



Sacramento Metropolitan Fire District

10545 Armstrong Ave., Suite 200 · Mather, California 95655 · Phone (916) 859-4300 · Fax (916) 859-3700

REGULAR BOARD MEETING

THURSDAY, FEBRUARY 23, 2023

Presentation Item

** Separate Attachment

1. Fiscal Year 2021/22 Annual Comprehensive Financial Report (ACFR) and Accompanying Audit Reports
 - A. Annual Comprehensive Financial Report (ACFR)

SACRAMENTO METROPOLITAN FIRE DISTRICT

COMPLIANCE REPORTS

June 30, 2022

SACRAMENTO METROPOLITAN FIRE DISTRICT

COMPLIANCE REPORTS

June 30, 2022

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550 Howe Avenue, Suite 210
Sacramento, California 95825
Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Sacramento Metropolitan Fire District
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sacramento Metropolitan Fire District (Metro Fire), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Metro Fire's basic financial statements, and have issued our report thereon dated January 25, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Metro Fire's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Metro Fire's internal control. Accordingly, we do not express an opinion on the effectiveness of Metro Fire's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Metro Fire's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the

To the Board of Directors
Sacramento, California

financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richardson & Company, LLP

January 25, 2023



550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM,
INTERNAL CONTROL OVER COMPLIANCE AND SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Sacramento Metropolitan Fire District
Sacramento, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Sacramento Metropolitan Fire District's (Metro Fire) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Metro Fire's major federal programs for year ended June 30, 2022. Metro Fire's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Metro Fire complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Metro Fire and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Metro Fire's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Metro Fire's programs.

To the Board of Directors
Sacramento, California

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Metro Fire's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Metro Fire's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Metro Fire's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Metro Fire's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Metro Fire's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not

To the Board of Directors
Sacramento, California

identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Metro Fire, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Metro Fire's basic financial statements. We issued our report thereon dated January 25, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Richardson & Company, LLP

January 25, 2023

SACRAMENTO METROPOLITAN FIRE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

- | | |
|---|------------|
| 1. Type of auditor's report issued: | Unmodified |
| 2. Internal controls over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Noncompliance material to financial statements under <i>Government Auditing Standards</i> noted? | No |

Federal Awards

- | | |
|---|---------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None reported |
| 2. Type of auditor's report issued on compliance for major programs: | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? | No |

4. Identification of major programs:

<u>Federal Assistance Listing (AL) Number</u>	<u>Name of Federal Program</u>
---	--------------------------------

97.083	Staffing for Adequate Fire and Emergency Response
--------	--

- | | |
|---|-----------|
| 5. Dollar Threshold used to distinguish between Type A and Type B programs? | \$750,000 |
| 6. Auditee qualified as a low-risk auditee under 2 CFR Section 200.516(a)? | Yes |

SACRAMENTO METROPOLITAN FIRE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

For the Year Ended June 30, 2022

B. CURRENT YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

None

C. CURRENT YEAR FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

COMPLIANCE

None

INTERNAL CONTROL OVER COMPLIANCE

None

D. PRIOR YEAR FINDINGS

None

SACRAMENTO METROPOLITAN FIRE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2022

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal Assistance Listing (AL) Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expenditures</u>
<u>U.S. Department of Homeland Security - Direct Program</u>			
Assistance to Firefighters Grant - AFG19	97.044		\$ 189,841
Assistance to Firefighters Grant - AFG20	97.044		2,999,199
Fire Prevention and Safety - FP&S19	97.044		161,241
			<u>3,350,281</u>
<u>U.S. Department of Homeland Security</u>			
Passed-through the State of California, Emergency Management Agency and the County of Sacramento, Office of Emergency Services			
Homeland Security Grant Program - SHSGP19	97.067	2019-035 / WB00039586	122,680
Homeland Security Grant Program - SHSGP20	97.067	2019-095	33,723
Passed-through the City of Sacramento			
Homeland Security Grant Program - UASI19	97.067	G11016919	103,205
			<u>259,608</u>
<u>U.S. Department of Homeland Security - Direct Program</u>			
Assistance to Firefighters Grant - FY 20			
Staffing for Adequate Fire and Emergency Response Grant	97.083		984,221
			<u>984,221</u>
		TOTAL FEDERAL AWARDS	<u><u>\$ 4,594,110</u></u>

See accompanying notes to schedule of expenditures of federal awards.

SACRAMENTO METROPOLITAN FIRE DISTRICT

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2022

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Sacramento Metropolitan Fire District (Metro Fire) under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the Metro Fire's operations, it is not intended to be and does not present the financial position, changes in net position, or cash flows of Metro Fire.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – PROGRAM COSTS/MATCHING CONTRIBUTIONS

The amounts shown as current year expenditures represent only the (federal/state/local) grant portion of the program costs. Entire program costs, including the Metro Fire's portion, may be more than shown.

NOTE 4 – NONCASH AWARDS

No noncash awards existed in the current year.

NOTE 5 – INDIRECT COSTS

Metro Fire did not elect to charge indirect costs to its federal programs using the 10% de minimis indirect cost rate as allowed under the Uniform Guidance. Indirect costs are charged to the programs using a number allocation basis including square footage of buildings, payroll time studies and direct costs.

NOTE 6 – SUBRECIPIENTS

There were no subrecipients of Metro Fire's programs during the year ended June 30, 2022.



550 Howe Avenue, Suite 210
Sacramento, California 95825
Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES
APPLIED TO APPROPRIATIONS LIMIT TESTING

To the Board of Directors
Sacramento Metropolitan Fire District
Sacramento, California

We have performed the procedures enumerated below to the accompanying calculation of the Appropriations Limit of the Sacramento Metropolitan Fire District (the District) for the year ended June 30, 2022. The District's management is responsible for complying with the appropriations limit calculation. The City and the League of California Cities (as presented in the publication entitled *Agreed-Upon Procedures applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution*) have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to assist the District in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and many not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and our findings were as follows:

1. We obtained the District's calculation of the fiscal year 2021/2022 Appropriations Limit and compared the limit and annual adjustment factors included in the calculation to the limit and annual adjustment factors that were adopted by resolution of the Board of Directors.

Finding: No exceptions were noted as a result of our procedures.

2. We compared the methodology used to determine the cost of living adjustment component to Article XIII B, which states that the District may annually adjust the component for either the change in California per capita personal income or, the percentage change in the District's assessed valuation which is attributable to non-residential new construction. We recalculated the factor based on the above information.

Finding: No exceptions were noted as a result of our procedures.

3. We compared the methodology used to determine the population adjustment component to Article XIII B which states that the District may annually choose to adjust the component for either the change in population in the County in which the District is located, or the change in population within the unincorporated area of the County in which the District is located. We recalculated the factor based on the above information.

Finding: No exceptions were noted as a result of our procedures.

4. We compared the prior year Appropriations Limit presented in the accompanying Appropriations Limit Calculation to the prior year Appropriations Limit adopted by the Board of Directors for the prior year.

Finding: No exceptions were noted as a result of our procedures.

5. We recalculated the fiscal year 2021/2022 Appropriations Limit by multiplying the product of the two above factors by the prior year Appropriations limit.

Finding: No exceptions were noted as a result of our procedures.

6. We compared the District's budgeted and actual revenues to the computed Appropriations Limit for fiscal year 2021/2022.

Finding: No exceptions were noted as a result of our procedures.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Appropriations Limit Calculation. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the Appropriations Limit for the base year, as defined by *Article XIII-B* of the California Constitution.

We are required to be independent of Sacramento Metropolitan Fire District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the use of the Board of Directors and management of the District and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Richardson & Company, LLP

January 25, 2023

APPENDIX A

**SACRAMENTO METROPOLITAN FIRE DISTRICT
APPROPRIATION LIMIT CALCULATION
Year Ended June 30, 2022**

APPROPRIATION LIMIT

ADOPTED BY DISTRICT:

Recorded in Final 2021/2022 Budget \$ 394,225,123

APPROPRIATION LIMIT

COMPUTATION PER REVIEW:

2020/2021 Appropriation Limit	\$ 371,524,949	
Cost of Living Factor:		
Change in California per capita income	1.0573	
Population Adjustment Factor:		
Population change in Sacramento and Placer Counties	<u>1.0036</u>	
Auditor computed limitation		<u>394,225,123</u>
Variance		<u>\$ (0)</u>



550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

GOVERNANCE LETTER

To the Board of Directors
Sacramento Metropolitan Fire District
Sacramento, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sacramento Metropolitan Fire District (the District), for the year ended June 30, 2022, and have issued our report thereon dated January 25, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of the audit. We communicated such information in our letter to you dated March 11, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards* and the Uniform Guidance

As stated in our engagement letter dated March 11, 2022, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with the Uniform Guidance, we examined, on a test basis, evidence about the District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the District's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the District's compliance with those requirements.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit includes obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We noted no internal control weaknesses during our audit.

We performed the audit according to the planned scope previously communicated to you in our engagement letter dated March 11, 2022.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. The District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The implementation of GASB Statement No. 87 resulted in recognition of a lease receivable and deferred inflow. Notes 1 and 9 to the financial statements describes the impact of GASB Statement No. 87 on the District's financial statements. No other new accounting policies were adopted, and the application of existing policies was not changed during the year. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

1. Inventory Valuations: While the District has taken physical inventories to verify quantities, the dollar values assigned to the quantities, especially those assigned to the helicopter inventory, are estimated values.
2. Depreciable Lives and Methods: The depreciable lives and methods used for capital assets affects the amount of depreciation expense that is recorded and are based on the District's estimate of the useful lives of the assets.
3. Uncollectible Receivables: The allowances for uncollectible ambulance accounts receivable are based on historical collection and write-off statistical data, applied to the accounts receivable balances at the fiscal year-end.
4. Accrual of Revenue: The District estimates revenue, including GEMT grant revenue, when the amounts are not received prior to the preparation of the financial statements. GEMT grant revenue is based on amounts received in prior years, if a funding agreement is expected to be reached.
5. Workers Compensation Liability: The self-insured workers compensation claims liability is based on an independent actuarial study, which is in turn based on assumptions about amounts

that will be required to settle claims known and not yet known at the actuarial dates, plus related administrative costs.

6. OPEB Liability: The OPEB liability is based on an actuarial valuation, which utilizes assumptions including future employment, retirement rates and future costs of health care and health insurance.
7. Pension Liability: The pension liability is based on an actuarial study performed by CalPERS, utilizing assumptions including future employment, retirement rates, mortality, salary increases and interest rates.

We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

Pension Liability: The disclosure of the pension liability in Note 6 to the financial statements discusses the pension liability and related deferred inflows and outflows of resources that are reflected in the Statement of Net Position as well as the assumptions that were used to determine the amounts and other required disclosures. The District's share of the unfunded pension liability at June 30, 2021, the most recent measurement date, was \$363,264,160 which is reflected as a liability in the District's financial statements as of June 30, 2022. As a result of the changes in the net pension liability and related deferred inflows and outflows, the District's pension expense is \$32,164,952 representing changes in the pension liability and related deferred inflows and outflows. The net pension liability decreased by \$145 million due to the unusually large investment returns on plan assets as of the June 30, 2021 valuation date.

Other Postemployment Benefits Liability: The disclosure of the other postemployment liability in Note 7 to the financial statements discusses the liability that is reflected in the Statement of Net Position as well as the assumptions that were used to determine the amounts and other required disclosures. The District's share of the unfunded OPEB liability at June 30, 2021, the most recent measurement date, was \$197,549,245 which is reflected as a liability in the District's financial statements as of June 30, 2022. As a result of the recording of the net OPEB liability and related deferred inflows and outflows, the District's OPEB expense is \$4,632,695 to record changes in the net OPEB liability and deferred outflows and inflows.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no material misstatements noted during the audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 25, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management’s Discussion and Analysis, Schedule of Changes in Net Pension Liability – CalPERS Safety Plan, Schedule of Plan’s Proportionate Share of Net Pension Liability, Schedule of Employer Contributions to the Pension Plan – CalPERS and SCERS Plans Schedule of Changes in Net OPEB Liability and Schedule of Employer Contributions to the OPEB Plan, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the budgetary comparison schedule for the Capital Facilities Fund and Impact Fee Fund, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Introductory and Statistical Sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

This information is intended solely for the use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Richardson & Company, LLP

January 25, 2023



Sacramento Metropolitan Fire District

10545 Armstrong Ave., Suite #200, Mather, CA 95655 · (916) 859-4300 · Fax (916) 859-3700

DAN HAVERTY
Interim Fire Chief

DATE: February 23, 2023
TO: Board of Directors
SUBJECT: Presentation of Community Annual Report for the year ended June 30, 2022 and the Government Finance Officers of America award for the year ended June 30, 2021

BACKGROUND

The Community Annual Report (CAR) for the fiscal year ended June 30, 2022 has been completed and is now ready for presentation to the Board of Directors for review and acceptance.

DISCUSSION

The CAR is a report extracted from the Annual Comprehensive Financial Report (ACFR) and is specifically designed to provide accessible and easily understood financial information about the District to interested parties without a background in public finance. Interspersed in the short (13-page) report are a history of the District and unusual facts about District operations. The 2021-22 CAR has a special focus on Dispatch Center staff who respond to 911 calls and coordinate responses with Metro Fire's suppression staff.

The District received its 4th consecutive Award for Outstanding Achievement in Popular Annual Financial Reporting from the GFOA for the CAR for fiscal year ending June 30, 2021. This year's CAR will again be submitted to the GFOA for consideration in its award program, and staff is confident that Metro Fire will be awarded the certificate for the 5th consecutive time.

FISCAL IMPACT

There is no direct fiscal impact of accepting the report.

RECOMMENDATION

Staff recommends that the Board accept the report.

Submitted by:

Approved by:

Dave O' Toole
Chief Financial Officer

Dan Haverty
Dan Haverty
Interim Fire Chief



**COMMUNITY
ANNUAL REPORT**

For the Fiscal Year Ended
June 30, 2022

2021/22



**Sacramento Metropolitan
Fire District**

**PROUDLY SERVING THE CALIFORNIA COUNTIES OF
SACRAMENTO AND PLACER**

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- 02 | District History
- 04 | At a Glance
- 05 | Under the Headset
- 06 | Your First Responders on the Move
- 08 | By the Numbers
- 09 | Financial Highlights
- 12 | Capital Spending
- 13 | Debt Service
- 13 | Awards

The Community Annual Report (CAR) provides summarized financial information in an easily understood format. The CAR is derived from the Annual Comprehensive Financial Report (ACFR), which is a detailed report showing Metro Fire's financial condition. The CAR is presented in conformity with Generally Accepted Accounting Principles but is not intended to be a substitute for the ACFR. To obtain a copy of the ACFR, visit:

<http://metrofire.ca.gov/annual-comprehensive-financial-reports>

CORE VALUES

- Integrity •
- Professionalism •
- Teamwork •
- Devotion to Duty •



Did you know?

If you need to contact 911 but can't speak or need to stay quiet in your emergency, you can text to 911. Although you should call if you can (because talking is faster), text if you can't!

Message from the FIRE CHIEF

Dear residents of the Sacramento Metropolitan Fire District,

As the State of California was reminded late in 2022, the retreat of a pandemic and a relatively mild fire season do not mean our communities are beyond the reach of natural disasters. In late December 2022 and early January 2023, California experienced nine catastrophic "atmospheric river" winter storms, downing power lines, flooding homes, and stranding motorists. During that time service calls spiked dramatically: rising 180% from the prior New Year's Eve count, and 207% on January 8.

Responding to service calls is Metro Fire's mission and day-to-day focus, and we could not begin to achieve either without the close support of our colleagues in the Sacramento Regional Fire EMS Communication Center ("Dispatch Center"). In this year's issue of the Community Annual Report (CAR), I want to share with you not only the financial condition of the District, but also introduce you to the critical services of the Dispatch Center. When you must reach out for emergency assistance, the Dispatch Center will be there to help you, and I am proud to share how they serve the citizens of the Sacramento region.

In addition to highlighting the critical work of the Dispatch Center, the principal function of this CAR is to summarize the financial reporting found in the District's Annual Comprehensive Financial Report (ACFR). As explained in this publication, the District's financial condition is sound. The District's overall financial position improved by \$34 million over the prior year and the independent auditors provided a clean opinion (no findings or exceptions) of District finances.

Finally, I would like to express my thanks to the Sacramento Metropolitan Fire District Board of Directors, which provides the District and me with the authority and guidance to ensure the District is well led and properly resourced.

Dan M. Haverty Dan M. Haverty
Interim Fire Chief

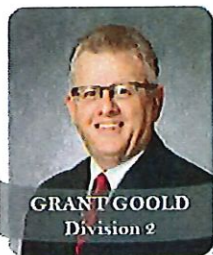


Elected Board of Directors

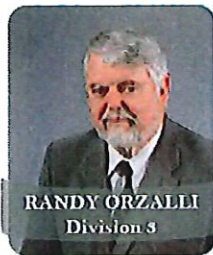
As of June 30, 2022



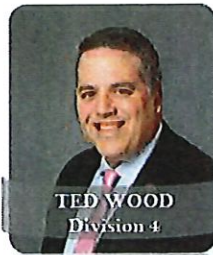
CINTHIA SAYLORS
Division 1
PRESIDENT



GRANT GOOLD
Division 2



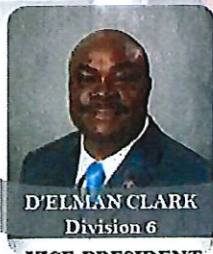
RANDY ORZALLI
Division 3



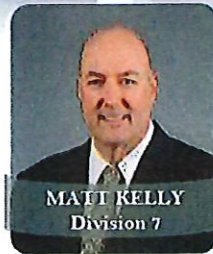
TED WOOD
Division 4



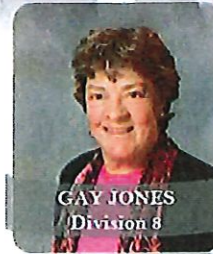
JENNIFER SHEETZ
Division 5



D'ELMAN CLARK
Division 6
VICE-PRESIDENT



MATT KELLY
Division 7



GAY JONES
Division 8



WALT WHITE
Division 9
SECRETARY



Mills Fire Dept.



Arcade Fire Protection District



Elverta Fire District



Citrus Heights Fire District



Carmichael Fire District



Mather Air Force Base Fire Dept.

Rio Linda Outpost of Fire Protection



Orangevale Volunteer Fire Dept.



McClellan Air Force Base Fire Dept.



Florin Fire District



Fair Oaks Fire District



HISTORY



North Highlands Village Fire District

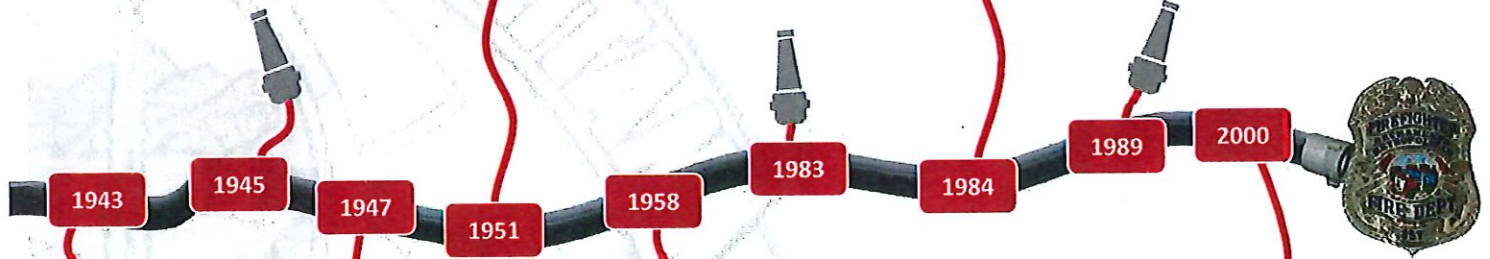
Merger of North Highlands Village FD into Citrus Heights FPD



Consolidation of Arden FPD and Carmichael FD into American River FPD

Consolidation of Rancho Cordova FPD, Fair Oaks FD and Citrus Heights FPD into Sacramento County FPD

Consolidation of Citrus Heights FD and Orangevale Volunteer FD into Citrus Heights FPD



Arden Fire District



Rancho Cordova Fire Protection District



Sacramento Metropolitan Fire District

Consolidation of all 16 historic fire districts

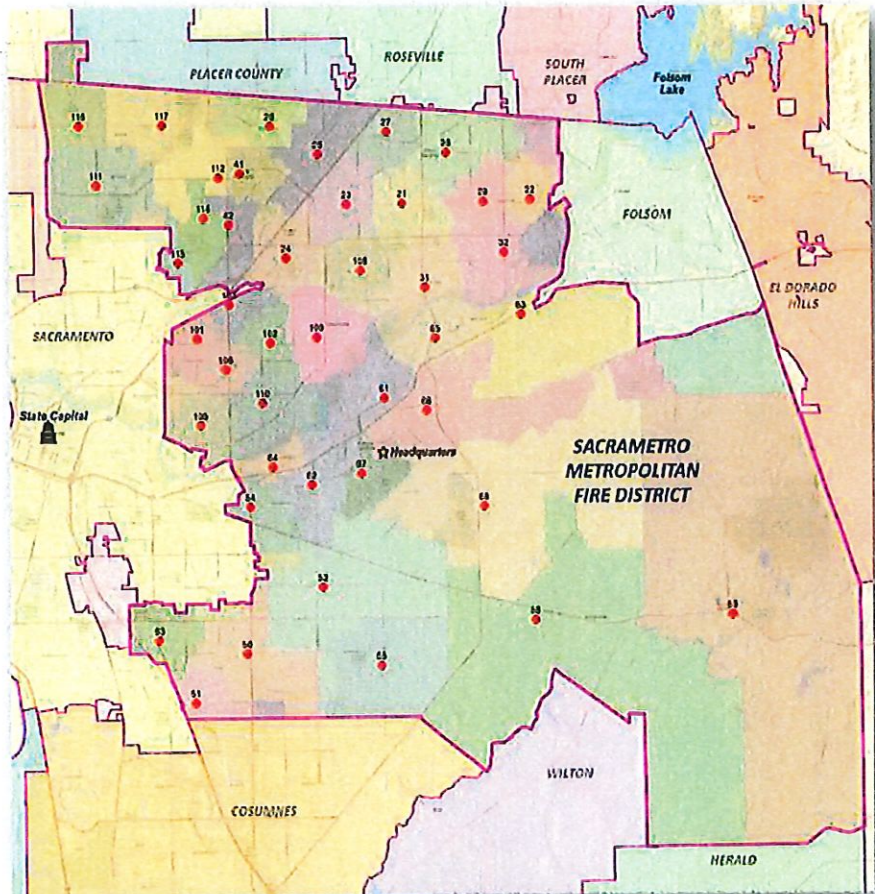
Sloughouse Fire Protection District



AT A GLANCE

The Sacramento Metropolitan Fire District was established on December 1, 2000 through the merger of the American River and Sacramento County Fire Protection Districts, which brought together 16 predecessor fire agencies. Metro Fire is governed by a nine-member Board of Directors duly elected by citizens from the nine geographical divisions in Metro Fire's area of responsibility.

Today, Metro Fire is the largest fire agency in the County of Sacramento and one of the largest in the State. The combined District provides fire suppression and emergency medical services along with various other public safety and hazard mitigation community services to 770,000 residents in approximately 359 square miles. The District's service area includes two cities, most of the unincorporated area of Sacramento County, and a portion of Placer County. Within the boundaries of Metro Fire are wildland areas, single and multi-family residential units, commercial and light industrial buildings, hotels, regional hospitals, institutions, local airfields, assisted living and convalescent facilities, equestrian areas, and open space areas including several major hiking trails. Numerous main interstate highways also traverse Metro Fire's jurisdiction, along with the American River, a major recreation resource for residents and visitors alike.



Metro Fire provides all-hazard emergency services through 41 stations strategically located across its service area in order to respond to any emergency within its goal of 4-minute travel time.

Did you know?

Metro Fire responds to 911 calls dispatched by the Sacramento Regional Fire/EMS Communications Center (SRFECC or "Dispatch Center"), which also serves 9 other fire agencies in the region.

In 2021, the Dispatch Center answered over 338,000 calls and dispatched first responders to over 230,000 fire and medical incidents. Metro Fire responded to over 108,000 of those calls.



The residents of the Sacramento Metropolitan Fire District have come to expect that when emergencies occur, the men and women of Metro Fire will rapidly arrive on scene with all of the necessary tools, knowledge, and experience. But what you may not know about is the critical link between your emergency call and the emergency response, namely the Sacramento Regional Fire/EMS Communication Center (SRFECC), or the "Dispatch Center".

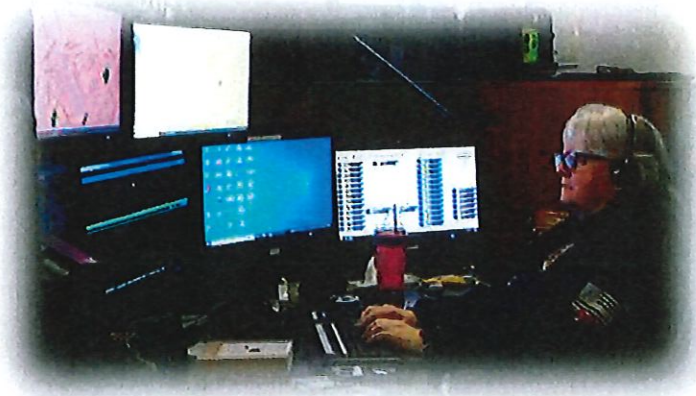
Like Metro Fire, the Dispatch Center evolved over decades, joining together the emergency dispatch services of smaller districts into an increasingly large and modernized organization. Over time, larger agencies also joined the group and, with Isleton and River Delta Fire as the last agencies joining in 2016, the Dispatch Center began serving ten (career and volunteer) fire agencies.

Today, the Dispatch Center serves a population of more than 1.5 million people, organizing the deployment of equipment and personnel of 90 fire stations across 1,000 square miles of Sacramento County with a team of 42 dispatchers and supervisors.

Your 911 Call – When you call 911, you do not reach the Dispatch Center directly. Your location triggers which law enforcement agency's dispatch receives the call. In the Sacramento region, your call will be initially answered by the state's highway patrol, the city's police station or the county's sheriff's office. If the call is determined to be a medical or fire emergency, your call is routed to the Dispatch Center. They have the ability to quickly send out the closest available fire and/or medical first responder. All other calls, mainly those dealing with public safety matters, will be handled by the law agency that took your call.

The Dispatcher – The Dispatch Center's environment is quiet and calm with low lighting. It is separated with a glass wall which blocks off other daily work activity that is happening around them. Normally, dispatchers work 12 hour shifts – 3 days on, 3 days off. At their station in front of them sit seven monitors, all with their own functions to assist in processing your 911 call as swiftly as possible. There are 15 stations in the room, with 3 additional stations available in the office area, if needed. If a dispatcher needs a moment after an extremely stressful call, they can step away to one of the quiet rooms to take a breather and decompress.

Information is Key! – Calling 911 can add even more stress to an already stressful situation, but it is important to speak as calmly as possible, and to speak clearly with accurate and detailed answers to the dispatcher's questions. This ensures that correct and sufficient resources are sent to your emergency.



Metro Fire and You – Once the Dispatch Center assigns your emergency to a Metro Fire station an automated system alerts the staff who are always ready to answer the call! We have close to 200 firefighters, EMS and paramedics staffed daily to respond to your medical and fire emergencies. These first responders staff 22 ambulances, 36 engines, 7 trucks, 1 helicopter, 1 aircraft rescue and firefighting unit and 5 battalion commanders throughout the Sacramento County region from 41 fire stations. Rest assured, help is on it's way!

Did you know?

In order to keep a caller safe during a 911 call of a suspected violent crime, the Dispatch Center will not call back on disconnected calls in certain situations. For example, if a caller finds a safe moment to call 911 but then has to hang up, having the dispatcher call back could put the victim in further danger. Remember - you can always TEXT 911 if you find yourself in a situation where you can't talk.

YOUR FIRST RESPONDERS



Metro Fire provides all-hazard emergency services throughout the Sacramento region, rapidly and effectively deploying appropriate resources to respond to any medical or fire call for help. We are equipped with many different types of apparatus (medical and fire vehicles) and trained staff to aid and assist in any emergency. Here is what you may expect to see depending on your emergency.

MEDICAL AID AMBULANCE

Staffed with a Paramedic and EMT

Responds to medical calls, vehicle accidents and structure fires, providing rescues services, advanced life support, and patient transport to the hospital. Most of Metro Fire's paramedics are also firefighters.



STRUCTURE FIRE AND MEDICAL AID FIRE ENGINE

Staffed with a Captain, Engineer, and 1 or 2 Firefighters

Responds to medical emergency calls, vehicle accidents, and all types of fires to protect life and property by rescuing civilians and animals and extinguishing fires.



Did you know?

It is a standard practice to staff our fire vehicles (engine, truck, rescue, etc.) with at least one paramedic. For a medical call, it is quite common for a fire engine to show up along with an ambulance to ensure advanced life support services are delivered in a timely manner.

STRUCTURE FIRE
MEDICAL AID
AERIAL TRUCK



Staffed with a Captain, Engineer, and 2 Firefighters

In addition to responding to medical emergencies, this provides extrication of entrapped victims, and assists with the extinguishment of fire by providing forcible entry and ventilation.

GRASS FIRES, AIR SEARCH
AND RESCUE
HELICOPTER



Staffed with a Pilot, Rescuer, and Flight Officer, who are, at the minimum, all firefighters.

This is most commonly used for grass fires, but can also be used for search and rescue, and medical transports.

WATER SEARCH AND
RESCUE
SWIFT WATER BOAT



Staffed with a Captain, Engineer, and 1 or 2 Firefighters

Conducts search and rescue in flooded disaster areas, collapsed structures inundated by floods, dam failures, and other water-related disasters.

RANKS



CHIEF



CAPTAIN



ENGINEER



FIREFIGHTER

Did you know?

When calling 911 for a medical or fire emergency, you may not get the response from the station closest to you as they may already be out on another call. The Dispatch Center has the ability to see the closest available response unit and assign them to your call.

BY THE NUMBERS

For the year ended June 30, 2022

public safety



108,232

Calls Dispatched



7 of 10

Medical Calls



1,165

Fires Extinguished



2,813

Vehicle Accidents



6m 28s

Average Response Time to Provide Medical Aid



4m 20s

Average Response Time to Reach Structure Fires



5m 17s

Average Response Time to Reach Vehicle Accidents

41

Fire Stations



25

Major Incident Deployments
19 California,
6 National

350+

Apparatus and Other Vehicles

Trucks, engines, rescues, medics, and cars

fire family



Metro Fire Employees

671

554

Fire, Medical And Rescue

43

Fire Prevention, Safety and Training

74

Admin And Support

FIREFIGHTERS GET HURT TOO



448

Firefighter Injuries



7,951

Days Lost Due to injury



\$4,849,429

District Cost

community



21,392

Inspections and Plan Reviews

9,095 Code Enforcement Inspections

3,850 Plan Reviews

7,644 Construction Inspections

147 Fireworks Inspections

656 Weed Abatement Inspections



58

Community Engagements



27

Special Appearances
• 3475 Adults and Kids



31

School Visits
• 1911 Students

NET POSITION

What We Own & What We Owe

The government-wide Statement of Net Position provides a “snapshot” of where the District stood financially at the close of the fiscal year. Over time, increases or decreases in net position serves as a useful indicator of whether the District’s financial position is improving or deteriorating.

The largest portion of Metro Fire's net position reflects its investment of \$103 million in capital assets with a related outstanding debt of \$15 million used to acquire those assets resulting to a reported net investment in capital assets of \$88 million. Although Metro Fire's net investment in capital assets is reported net of related debt, this does not mean that capital assets will be liquidated to pay for this debt since it uses these capital assets to provide services to citizens. Other funding sources will be used to pay for this debt.

Metro Fire's negative unrestricted net position is largely due to the recognition of the liability owed to its employees as they retire from Metro Fire, which includes pension liability and post-retirement medical liability. The \$30 million improvement is mainly attributable to the broad investment gains that resulted to the lowering of these estimates for post-retirement obligation.

Did you know?

While an ambulance is en route to the hospital and administering medical aid to the patient, pertinent medical information is also being transmitted to the emergency department in preparation of the patient's arrival.



Net Position (in thousands)	2022	2021
Assets - What is owned by Metro Fire		
Cash and other assets <i>Includes cash and investments, receivables, and inventories</i>	\$ 91,063	\$ 89,392
Capital assets <i>Land, buildings, and equipment net of accumulated depreciation</i>	103,362	101,312
Deferred Outflows <i>Expenses incurred but applicable to a future year</i>	128,970	125,736
Total assets and outflows	323,395	316,440
Liabilities - What Metro Fire owes		
Current and other liabilities <i>Payables, payroll, and unearned revenue</i>	11,554	11,287
Long-Term liabilities <i>Bonds, other post-employment benefits, pensions, and other obligations</i>	658,165	805,573
Deferred Inflows <i>Income received applicable to a future year</i>	198,078	77,619
Total liabilities and inflows	867,797	894,479
Net Position - Metro Fire's net worth		
Net investment in capital assets <i>Capital assets less accumulated depreciation and any outstanding debt used to acquire these assets.</i>	87,893	81,259
Restricted <i>What is not available for use because it is set aside for a particular use.</i>	8,491	7,333
Unrestricted <i>Funds available to use for general operations.</i>	(640,786)	(666,631)
Total net position	\$ (544,402)	\$ (578,039)

REVENUE

Where the Money Came From

Property tax revenue is the main source of Metro Fire's funding and provides support for its fire suppression activities.

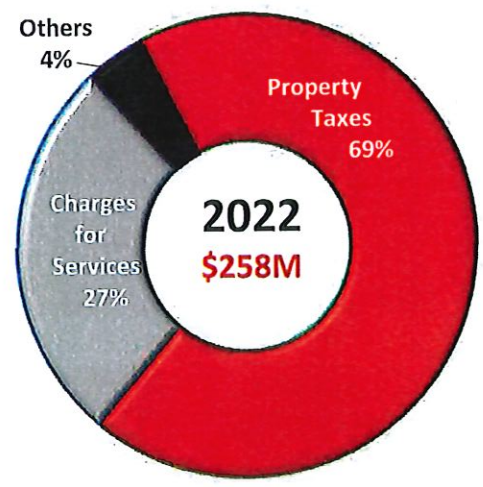
SOURCES
(in thousands)

	2022	2021
Program Revenues - Revenues that are derived directly from operations, not the taxpayers		
Charges for services <i>Fees charged for ambulance transports, deployments to other jurisdictions, and similar charges</i>	\$ 69,702	\$ 75,311
Grants <i>Resources received through federal and state grant awards</i>	6,260	189
Total Program Revenues	75,962	75,500
General Revenues - Revenues not required to be reported as program revenues		
Property taxes <i>Taxes received from property owners based upon the assessed valuation and tax rate.</i>	177,825	167,482
Miscellaneous / Other Income <i>All other revenue such as resources received from other agencies, investment and rental income</i>	4,588	4,150
Total General Revenues	182,413	171,632
Total Revenues	\$ 258,375	\$ 247,132

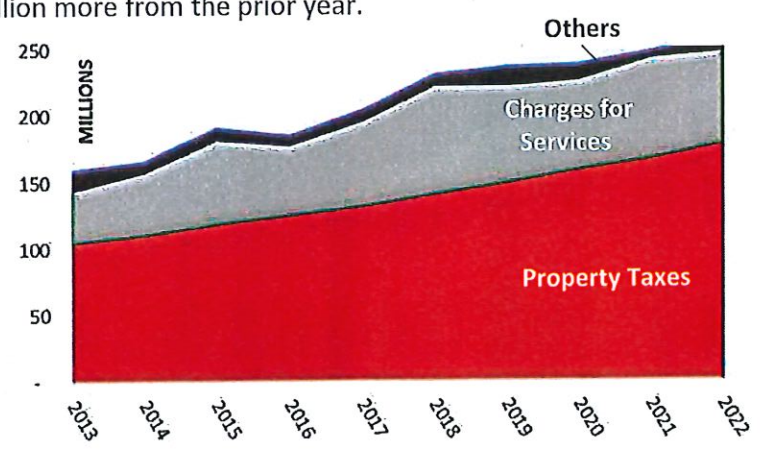
For every property tax dollar paid by a resident in Metro Fire's jurisdiction, about 21.68 cents go to Metro Fire.



The average assessed value of a detached single family residential home in Metro Fire's jurisdiction is \$305,960, which means that a homeowner typically contributes about \$663 per year in property taxes to Metro Fire.



Metro Fire experienced ten straight years of growth in assessed property values since FY 2012/13, increasing by \$3.6 billion from the prior year to a total of \$77.7 billion. This generated \$177 million in property tax revenues for the current fiscal year, \$10 million more from the prior year.



While the District expects to see modest growth in property taxes, it continues to find ways to diversify its revenue base. These efforts successfully yielded better cost recovery on its emergency medical services. As the graph to the left infers, property taxes now comprise 68% of all revenue sources, compared to 80% more than a decade ago. Charges for services and other revenues will amount to nearly \$70 million in the 2022/23 fiscal year.

EXPENSES

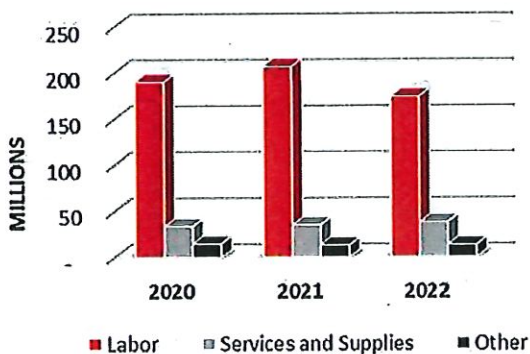
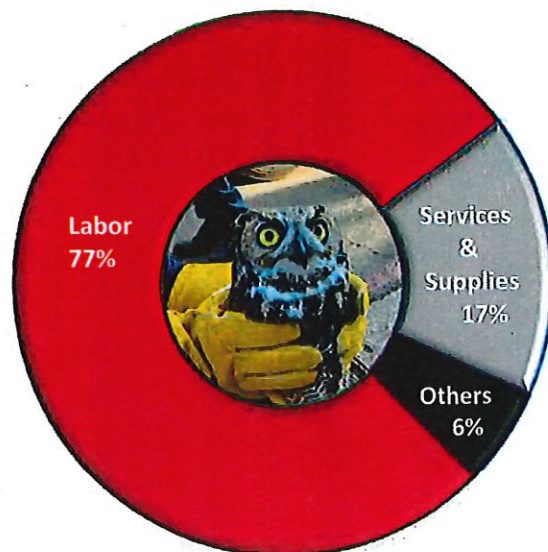
Where the Money Went

As a public safety provider, the majority of Metro Fire's operating expense relates to personnel costs, which comprise about 77% of total expenses. The 12% or \$33 million decrease this year is mainly due to lowering of Metro Fire's obligation for post-retirement pension and medical benefits as a result of overall gains in its funding portfolio that are partly recognized in the current year.

The other significant expense is services and supplies which comprise about 17%. The \$1.2 million increase is due to several factors including higher insurance costs, vehicle maintenance, dispatch fees, and overall inflationary effects.

Metro Fire begins its budget process in Spring each year and adopts a preliminary budget in June, a final budget in September, and makes mid-year adjustments in March. The overriding goals of each budget process is to optimize services to the greatest extent possible, ensure that the ongoing all-risk fire, rescue and emergency medical needs of the citizens are met, and provide adequate reserves for future contingencies.

The Board of Directors has established a target of retaining at least a 15% reserve of budgeted General Fund operating expenditures, to be set aside to cover unexpected costs or revenue shortfalls.



Did you know?



You've seen it in movies many times, but did you know that first responders actually respond to many pet and wildlife rescues?

Metro Fire will do everything in their power to not only rescue your loved humans during a fire, but also your beloved pets. You may also find them up a ladder in a tree to save that stuck owl, or in the lake pulling out an exhausted trapped deer. In fact, Metro Fire responded to over 300 animal rescue calls.

EXPENSES <i>(in thousands)</i>	2022	2021
Public Protection - <i>Direct cost of services provided</i>		
Personnel <i>Salaries and benefits such as pension and medical costs</i>	\$ 173,911	\$ 206,496
Services and Supplies <i>Fees paid to external vendors for various services and supplies</i>	37,875	34,936
Other <i>Includes assessments paid to other local agencies</i>	4,291	4,026
Depreciation <i>Allocated cost of capital assets over their useful life</i>	6,406	6,418
Interest and Others <i>Includes interest and other miscellaneous expenses</i>	2,255	2,418
Total Expenses	\$ 224,738	\$ 254,294

CAPITAL SPENDING

Investing in reliable firefighting apparatus is a crucial step in building a better fire service. Not only does each apparatus have to be maintained in the highest state of readiness to respond to emergencies, it must also take advantage of better technology that will allow efficient and safe operation.

For the year ended **June 30, 2022**

Taking into account the operational needs, current fleet status, and available resources, Metro Fire invested in the following significant capital assets in the most recent year:

6 AMBULANCES (\$1.3 million)

1 AERIAL TRUCK (\$950,000)

With no hose or water, this "truck" can still respond to most emergency and medical calls. The large ladder stored across the top extends up to 105 feet (7 stories) making it valuable in special emergencies.



1 WATER TENDER (\$575,000)

Transporting more than 2,000 gallons of water, these are mainly used to fight fires in rural areas where there are no working fire hydrants within reach.



FIRE STATION #68 (\$5.3 million)

May of 2022 marked the completion of the new Station 68 located in the Sunridge area within the City of Rancho Cordova.

3 TYPE I ENGINES (\$2.1 million)

The most common engine type here at Metro Fire with up to 36 in service daily District-wide.

2 TYPE III ENGINES (\$1 million)

Engineered to handle rugged terrain, these engines carry a 500-gallon tank and are designed for wildland fires.

For the upcoming year ending **June 30, 2023**

In the upcoming year, the following are the significant planned acquisitions:

3 TYPE III AMBULANCES (\$824,000)

These smaller ambulances are fully equipped yet have a lower initial cost, increased fuel economy, and longer service intervals.



5 TYPE I ENGINES (\$4.1 million)

These engines hold 700 gallons of water and have a larger pump to provide higher water flows for fighting structure fires.



1 COPTER CONVERSION (\$750,000)

The donated Bell UH1-H helicopter will be converted to visually and functionally match our Copter 1 and Copter 2. This will include painting the air craft, updating the avionics and communication systems, and adding mission specific fire and EMS equipment, such as a rescue hoist and tall landing gear.



6 AMBULANCE REMOUNTS (\$1.1 million)

The box portion of an existing ambulance is mounted on a new cab and chassis. This remount process saves about one-third of the cost to replace an ambulance with a new one.

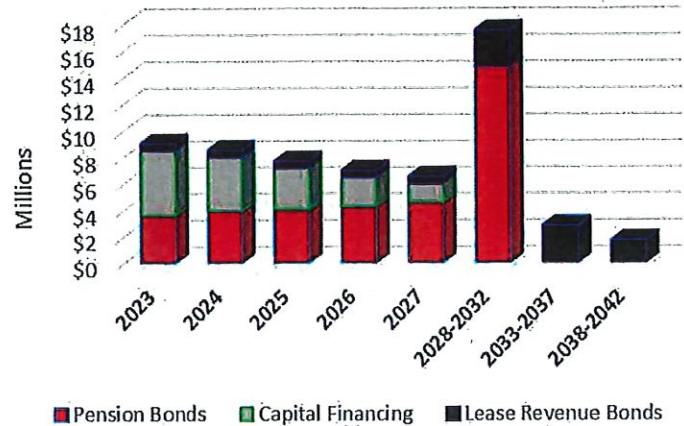
Did you know?

The purchase of an emergency vehicle (apparatus) requires a long lead time. Since the outbreak of COVID, it now takes up to three years to receive a new fire engine - from planning the specs to delivery of the apparatus to the District.

Metro Fire uses debt to spread the cost of larger purchases over time. Metro Fire’s debt policy requires that the maturity of a debt issue be consistent with the economic or useful life of the asset being financed, generally level annual debt services payments, and preferences for fixed interest rates and optional redemption at a reasonable call date. This policy prohibits the issuance of long-term debt to fund District operating costs.

Metro Fire has three major debt types: pension bonds, lease revenue bonds, and capital equipment financing. Pension bond proceeds were used to reduce the unfunded actuarial liabilities of its pension plans. Lease revenue bonds were used to purchase the headquarters building, make building improvements, and acquire fire-fighting and computer equipment. Proceeds of capital equipment financing have been used mainly for ongoing apparatus and equipment needs.

Future Debt Payments

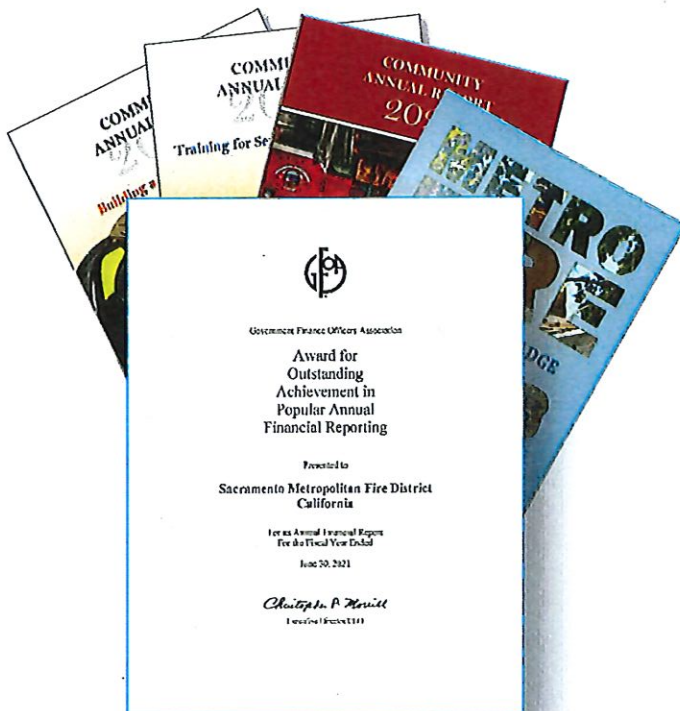


Metro Fire’s S&P Global Credit Rating.

Indicates an extremely strong capacity to meet financial commitments on its pension bonds resulting in lower borrowing costs.



AWARDS



Metro Fire received the Award for Outstanding Achievement in Popular Financial Reporting from the Government Finance Officers Association (GFOA) for the 4th straight year for its *Community Annual Report* (CAR) for the fiscal year ended June 30, 2021. This prestigious national award recognizes conformance with the highest standards for the preparation of creative popular annual financial reports specifically designed to be easily understandable to the general public.

Metro Fire has also been awarded the Certificate of Achievement for Excellence in Financial Reporting by the GFOA for the 8th straight year for its *Annual Comprehensive Financial Report* (ACFR) for the fiscal year ended June 30, 2021.



Mission Statement

“To provide professional and compassionate protection, education and service to our community.”

STAY CONNECTED:

-  facebook.com/metrofireofsacramento
-  instagram.com/metrofireofsacramento
-  twitter.com/metrofirepio

JOIN OUR TEAM!
metrofire.ca.gov

Leadership Legacy Recognition Nomination
Retired Firefighter Jeff Wells

Leadership Legacy Recognition (LLR): The LLR formally recognizes individuals who make a significant, tangible, and durational contribution to the success of the District. The LLR is a prestigious public acknowledgment by the District's Board of Directors and administration intended to strengthen the District's sense of history, promote innovation, and encourage individual initiative.

Candidate's History with the Sacramento Metropolitan Fire District

Retired Firefighter Jeff Wells began his fire service career with the American River Fire District as a Firefighter on May 1, 1990. On June 4, 2016, Firefighter Jeff Wells retired from Metro Fire. Jeff retired out of Fire Station 110, proudly serving the community of Carmichael.

Premise for Nomination

During his career with Metro Fire, Retired Firefighter Jeff Wells experienced a significant call that would change the course of his life. The incident produced symptoms which affected both his work and home life, prompting him to reach out for help. Jeff received treatment at the West Coast Post-Trauma Retreat (WCPR): a residential program that provides an educational experience designed to help current and retired first responders recognize the signs and symptoms of work-related stress in themselves and others, including post-traumatic stress disorder. Upon completion of his time at WCPR, Jeff connected with a culturally competent clinician to continue his treatment.

Jeff's first-hand experience provided him with a personal understanding of the need to express feelings and recognize one is not alone during difficult times. He realized his ability to easily relate to others struggling with similar situations and soon saw the benefits of a peer support program that would provide peers with immediate assistance, additional support, and someone to confide in or lean on.

After working with Jeff and learning his story, then-Local 522 President Brian Rice expressed interest in the establishment of a regional behavioral wellness committee. Jeff was invited to participate along with members from other departments, and soon became the Metro Fire representative. The committee would ultimately become the Sacramento Regional Behavioral Health Committee, which is still in existence today, and is the first formal peer support program in the history of the region.

In an effort to grow the internal Metro Fire Peer Support Program, then-Fire Chief Mark Wells asked Jeff to return as an annuitant. In this role, he would act as the liaison, supporting members and local, regional, and state agencies with any needs related to the Peer Support Program. Jeff was also responsible for assisting in the development, implementation, and management of peer support strategies, resources, and materials, as well as facilitating trainings and meetings to promote the overall mission and growth of the program.

Significant Actions Taken:

Jeff has played an integral part in the realization of the need for better behavioral health support for first responders within the region. He has spent countless hours vetting clinicians, researching and visiting different treatment facilities throughout the state, and building a baseline program that has been recognized state-wide. Jeff also built up the Peer Support Team here at Metro Fire. He created a protocol for joining the team and augmented the available resources with updated services, clinicians, educational components, and connections. He routinely speaks with new employees, explaining how the program started and how he got involved, and why members should become better advocates for their own mental wellbeing.

Today, the Metro Fire Peer Support Team is comprised of firefighters, dispatchers, administrative staff, single role paramedics, prevention personnel, and chaplains. The team is trained to provide confidential support and offer available resources regarding issues such as depression, marital discourse, alcohol or drug abuse, PTSD, and a range of other mental health matters.

Outside of the basic structure of the Peer Support Team, Jeff consistently checks Telestaff for any individuals that might be off on bereavement leave, or members that have been off duty for an unusual amount of time. With each member, he reaches out with the offer to meet and discuss their own personal issues. He is willing to drive individuals to treatment facilities at any time of the day, and for those out of the area, or even out of state, he will find their local resources for recovery. Most of the time this is done behind the scenes, confidentially, where very few people know about it. Jeff's support doesn't end there, as he continues to check in on people throughout their time of need to ensure they're receiving the necessary care.

Jeff helps guide new peer support members, offering advice and guidance. He has been an invaluable resource for Metro Fire's members as someone they can contact any time for any reason. His contacts throughout the state and locally have helped numerous individuals, and increased the awareness component of this critical program.

Jeff has played a key role in helping develop the following:

- Meeting with fire departments to convince them to support the Peer Support Program financially and convincing them of the benefits of giving administrative time off for classes
- Changing the culture operationally by checking in with crews after significant calls
- Spending countless hours with others from the committee, vetting "culturally competent" clinicians that understand fire service culture and will be the most effective in helping our members
- Vetting a Basic Peer Support class that has been taught in our region over many years
- Recruiting "peers" to be involved and growing Metro's numbers from one (himself) to currently 90 peer support members
- Assisted with setting up the regional parameters for the various departments
 - Goal of getting 10% of the members to be Peer Support trained
 - Having annual quarterly trainings
 - Deciding on the types of classes that should be taught
 - Agreeing on a financial commitment from each department, which is based on number of employees
- Assisted with the requirements for the state to deploy Critical Incident Stress Management (CISM) trained individuals to large incidents
- Has confidentially helped numerous individuals seek help by either finding them resources, advising them on treatment options available, meeting with them to have a conversation, or offering to and sometimes actually driving them to a facility for treatment
- Advocating to the department for its members on treatments, resources and/or advice on relevant topics involving mental wellness, helping to steer the department in the best direction
- Speaks on mental wellness at Metro Fire academies, including recruit, captain and BC.
- Speaks to spouses of the recruits, as being a firefighters affects the whole family
- Assisted with RFPs and contracts involving EAP services at Metro Fire, fighting for minimum services that need to be required by our EAP
- Researched and advised on new programs, ideas and services in our area (e.g., App, Holistic treatments, scholarships for trauma retreats, in-station training sessions, etc.).

Durational Outcomes:

Due to Jeff's persistence and perseverance for improved access to mental health by supporting the members in awareness, policy and decision making, he has created a program with measureable capacity for mental health wellbeing and/or recovery.

- Currently there is more awareness of mental health in the firehouse than ever before
- We now have three Peer Support shift coordinators to help manage each shift
- There is a peer canine support policy in development
- We have two scholarships to send two individuals to a trauma retreat, and Jeff has been able to advocate for more when needed
- Connections locally and statewide to find resources out of the area

Final Summary

It is the belief of the Peer Support Team and those members who have benefited from this program, that Jeff Wells' actions and leadership has best exemplified the pride and spirit of the fire service. His innovation and contributions in bringing this important program and its mission to the forefront of Metro Fire has made significant change in the way our firefighters see the importance of mental health wellbeing, and has therefore created a support culture different from any before. The Peer Support Program embodies the purpose of the Leadership Legacy Recognition and it is recommended that Retired Firefighter Jeff Wells be a recipient of this award.

My personal thanks and gratitude for the assistance, support, and help in preparation of this Leadership Legacy Recognition nomination go to:

Ryan Manfredi, Captain

Jill Guzman, Administrative Senior Staff Coordinator

Carmen Delgado, Administrative Specialist



Sacramento Metropolitan Fire District

10545 Armstrong Ave., Suite #200, Mather, CA 95655 · (916) 859-4300 · Fax (916) 859-3700

DAN HAVERTY
Interim Fire Chief

DATE: February 23, 2023
TO: Board of Directors
SUBJECT: State Funding Acceptance – Zinfandel First Responder Training Facility

BACKGROUND

In 2007, the Sacramento Metropolitan Fire District (District) purchased a 53-acre site located at 3801 Zinfandel Drive in Rancho Cordova for the purpose of constructing a public safety training facility. Due to funding limitations, only a small portion of the project has been completed to date. A Phase 3 buildout project totaling \$44 million including the construction of a multi-purpose training building, multi-story training tower, outdoor classroom, and Emergency Vehicle Operations Course (EVOC) was submitted as part of the District's FY23/24 Capital Improvement Plan (CIP), but was not approved due to funding limitations.

In an effort to secure alternate funding for the project, the District partnered with State Assemblyman Ken Cooley, who submitted a \$44 million budget request to the State of California on behalf of the District to complete the Phase 3 buildout project. Co-signers on the request included State Assemblymembers Cecilia Aguiar-Curry (4th District), Jim Cooper (5th District), Kevin McCarty (7th District), Freddie Rodriguez (52nd District), and State Senator Jim Nielsen (4th District).

DISCUSSION

On June 30, 2022, AB 178 Budget Act of 2022 was signed by Governor Gavin Newsom which made appropriations for the state's 2022-2023 fiscal year. Included in AB 178 was a \$13 million budget appropriation for the Zinfandel First Responder Training Facility to be passed through the California Governor's Office of Emergency Services (CalOES). While the full funding request was not approved, staff will utilize the \$13 million to implement the Phase 3 buildout on a scaled basis to meet District priorities.

On February 9, 2023, the District received the required documents from CalOES to initiate receipt of the funding. CalOES has advised the District that funds must be encumbered by June 30, 2024 and fully liquidated by March 31, 2026.

FISCAL IMPACT

The total funding to be received is \$13 million. There is no match requirement. Funding for anticipated project expenses will be included in the FY22/23 Mid-Year Budget and carryover to future fiscal years until the project is complete.

RECOMMENDATION

Staff recommends adoption of the attached Funding Acceptance Resolution and Amendment to the FY2022/2023 Capital Improvement Plan Resolution.

Submitted by:


Erin Castleberry, Administrative Analyst

Approved by:


Jeff Frye, Chief Development Officer



Sacramento Metropolitan Fire District

10545 Armstrong Ave., Suite #200, Mather, CA 95655 · (916) 859-4300 · Fax (916) 859-3700

DAN HAVERTY
Interim Fire Chief

RESOLUTION NO. 2023-____

BEFORE THE GOVERNING BOARD OF THE SACRAMENTO METROPOLITAN FIRE DISTRICT County of Sacramento, State of California

A RESOLUTION ACCEPTING A STATE BUDGET APPROPRIATION FOR THE ZINFANDEL FIRST RESPONDER TRAINING FACILITY PHASE 3 BUILDOUT

WHEREAS, the Sacramento Metropolitan Fire District (Metro Fire) provides fire protection, emergency medical services and hazardous material response to a population of over 720,000 throughout a 359 square mile area; and

WHEREAS, in 2007, the District purchased a 53-acre site located at 3801 Zinfandel Drive in Rancho Cordova (Site) for the purpose of constructing a public safety training facility, which has been only partially completed to date; and

WHEREAS, the District partnered with State Assemblyman Ken Cooley to submit a funding request to the State of California to complete the Phase 3 buildout project at the Site; and

WHEREAS, on June 30, 2022, AB 178 Budget Act of 2022 was signed by Governor Gavin Newsom which included a \$13 million budget appropriation for the Zinfandel First Responder Training Facility to be passed through the California Governor's Office of Emergency Services (CalOES) to the District for the completion of the Phase 3 buildout project.

THEREFORE, BE IT RESOLVED, that the Sacramento Metropolitan Fire District, a public entity established under the laws of the State of California, does hereby:

1. Accept funding in the amount of \$13 million from the California Governor's Office of Emergency Services.
2. Authorize the Fire Chief or his designee as its Authorized Agent(s) to execute all required documents to receive and manage the funds awarded.

PASSED AND APPROVED this 23rd day of February, 2023, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sacramento Metropolitan Fire District

President, Board of Directors

Attested by:

Clerk of the Board



Sacramento Metropolitan Fire District

10545 Armstrong Ave., Suite #200, Mather, CA 95655 · (916) 859-4300 · Fax (916) 859-3700

DAN HAVERTY
Interim Fire Chief

RESOLUTION NO. 2023-____

BEFORE THE GOVERNING BOARD OF THE SACRAMENTO METROPOLITAN FIRE DISTRICT County of Sacramento, State of California

A RESOLUTION AMENDING THE FY 2022/2023 CAPITAL IMPROVEMENT PLAN

WHEREAS, on June 9, 2022 the Sacramento Metropolitan Fire District's (District) Board of Directors adopted a Capital Improvement Plan (CIP) for fiscal years 2022/2023 – 2026/2027, which was further amended and approved on September 8, 2022; and

WHEREAS, the District has received funding in the amount of \$13 million from the State of California for the Zinfandel First Responder Training Facility Phase 3 Buildout project (Project), which is not included in the current CIP; and

WHEREAS, the District intends to add the Project and funding to the District's FY2022/2023 Mid-Year Budget; and

WHEREAS, the District desires to amend the FY 2022/2023 – 2026/2027 CIP to authorize the project.

THEREFORE, BE IT RESOLVED, that the Sacramento Metropolitan Fire District, a public entity established under the laws of the State of California, does hereby approve the addition of the Zinfandel First Responder Training Facility Phase 3 Buildout project to the FY 2022/2023 – 2026/2027 Capital Improvement Plan.

PASSED AND APPROVED this 23rd day of February, 2023, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sacramento Metropolitan Fire District

President, Board of Directors

Attested by:

Clerk of the Board



Sacramento Metropolitan Fire District

10545 Armstrong Ave., Suite #200, Mather, CA 95655 · (916) 859-4300 · Fax (916) 859-3700

DAN HAVERTY
INTERIM FIRE CHIEF

RESOLUTION NO. 2023-____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SACRAMENTO METROPOLITAN FIRE DISTRICT PROCLAIMING A LOCAL EMERGENCY, RE-RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR GAVIN NEWSOM MARCH 4, 2020, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODIES OF THE SACRAMENTO METROPOLITAN FIRE DISTRICT FOR THE PERIOD OF FEBRUARY 23, 2023 – FEBRUARY 28, 2023 PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, the Sacramento Metropolitan Fire District is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of the Sacramento Metropolitan Fire District's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the District's legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District's boundaries, caused by natural, technological, or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, meeting in person would present imminent risk to health and safety of attendees; and

WHEREAS, the Board of Directors does hereby find that conditions causing imminent risk to attendees has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District, and desires to proclaim a local emergency and ratify the proclamation of state of emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the local emergency, the Board of Directors does hereby find that the legislative bodies of the Sacramento Metropolitan Fire District shall conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, all meetings will be held in a virtual manner where the public may access them via the virtual platform with all login information provided on each board meeting agenda.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SACRAMENTO METROPOLITAN FIRE DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Proclamation of Local Emergency. The Board hereby proclaims that a local emergency now exists throughout the District, and meeting in person would present imminent risk.

Section 3. Ratification of Governor's Proclamation of a State of Emergency. The Board hereby re-ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.

Section 4. Remote Teleconference Meetings. The staff and legislative bodies of the Sacramento Metropolitan Fire District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) February 28, 2023, or such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the Sacramento Metropolitan Fire District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND APPROVED this 23rd day of February, 2023, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sacramento Metropolitan Fire District

President, Board of Directors

Attested By:

Clerk of the Board